

Document of
The World Bank

FOR OFFICIAL USE ONLY

Report No: 75051-MG

EMERGENCY PROJECT PAPER
ON A
PROPOSED GLOBAL PARTNERSHIP FOR EDUCATION FUND GRANT
IN THE AMOUNT OF US\$ 85.4 MILLION
TO THE
REPUBLIC OF MADAGASCAR
FOR AN
EMERGENCY SUPPORT TO EDUCATION FOR ALL PROJECT

March 1, 2013

Human Development
Africa Region

This document has a restricted distribution and may be used by recipients only in the performance of their official duties. Its contents may not otherwise be disclosed without World Bank authorization.

CURRENCY EQUIVALENTS
(Exchange Rate Effective xxxxxx, 2013)

Currency unit = Madagascar Ariary (MGA)
MGA xxxx = US\$ 1

FISCAL YEAR

January 1 – December 31

ABBREVIATIONS AND ACRONYMS

AFD	Agence Française de Développement (French Development Agency)
AIDS	Acquired Immunodeficiency Syndrome
ARMP	Public Procurement Oversight Authority (Autorité de Régulation des Marchés Publics)
BIANCO	Bureau indépendant de lutte contre la corruption (Independent Office for the Fight against Corruption)
CBS	Consultant's Qualification Selection
CDD	Community-driven development
CISCO	Circonscription Scolaire (School District)
CNaPS	Caisse Nationale de Prévoyance Sociale (National Social Security Administration)
CPAR	Country Procurement Assessment Report
CRESED	Crédit de Renforcement du Secteur de l'Éducation (Education Sector Reinforcement Credit)
CRINFP	Centre Régional de l'Institut National de Formation Pédagogique (Regional Teacher Training Center of the National Teacher Training Institute)
DREN	Direction Régionale de l'Éducation Nationale (Regional Directorate of National Education)
EA	Environmental Assessment
EFA-FTI	Education for All Fast Track Initiative
EMIS	Education Management Information System
EMP	Environmental Management Plan
ESIA	Environmental and Social Impact Assessment
ESMF	Environmental and Social Management Framework
ESMP	Environmental and Social Management Plan
ESSAF	Environmental and Social Screening Assessment Framework
EU	European Union
FAF	Fiaraha-miombon' Antoka ho amin'ny Fampandrosoana ny Sekoly (School management committee or Partenariat pour le Développement des Ecoles)
FBS	Selection under a Fixed Budget
FPA	Fiduciary Principles Accord
FM	Financial Management
FRAM	Fikambanan'ny Ray Aman-drenin'ny Mpianatra (Parents' Association or Association des Parents d'Elèves)
FY	Fiscal Year
GDP	Gross domestic Product
GPE	Global Partnership for Education
GPEF	Global Partnership for Education Fund
HIV	Human Immunodeficiency Virus
IBRD	International Bank for Reconstruction and Development
IC	Individual Consultant

ICB	International Competitive Bidding
IDA	International Development Association
IESP	Interim Education Sector Plan (Plan Intérimaire d'Éducation)
IFRs	Interim Unaudited Financial Reports
IMF	International Monetary Fund
INFP	National Teacher Training Institute (Institut National de Formation Pédagogique)
LCS	Least Cost Selection
LEG	Local Education Group
m	Million
M&E	Monitoring and Evaluation
MAP	Madagascar Action Plan
MDGs	Millennium Development Goals
MEN	Ministère de l'Éducation Nationale (National Ministry of Education)
MESEA	Madagascar Emergency Support to Education for All
MESEHN	Madagascar Emergency Support to Critical Education, Health, and Nutrition Services Project
NCB	National Competitive Bidding
NER	Net Enrolment Ratio
NGOs	Non-governmental organizations
PAPs	Project Affected People
PASSOBA	EU program to support basic social services in education (Programme d'Appui aux Services Sociaux de Base – Education)
PDO	Project Development Objective
PIU	Project Implementation Unit
QCBS	Quality and Cost Based Selection
RPF	Resettlement Policy Framework
SADC	Southern African Development Community
SCEFA	Steering Committee on Education for All (Comité de pilotage de l'Éducation Pour Tous)
SSS	Single Source Selection
STI	Sexually Transmitted Infection
UAT-EPT	Education Technical Support Unit–Education for All (Unité d'Appui Technique–Éducation pour Tous)
UNICEF	United Nations Children's Fund
US	United States
WFP	World Food Programme
ZAP	Sub-district Education Office (Zone Administrative et Pédagogique) ()

<p>Vice President: Makhtar Diop</p> <p>Country Director: Haleh Z. Bridi</p> <p>Sector Director: Ritva Reinikka</p> <p>Sector Manager: Sajitha Bashir</p> <p>Task Team Leader: Fadila Caillaud/Cornelia Jesse</p>
--

REPUBLIC OF MADAGASCAR

EMERGENCY SUPPORT TO EDUCATION FOR ALL PROJECT

CONTENTS

	Page
A. Introduction.....	1
B. Emergency Challenge: Country Context and Rationale for Proposed Project	2
C. Bank Response: The Project	14
D. Appraisal of Project Activities.....	18
E. Implementation Arrangements and Financing Plan.....	23
F. Key Risks and Mitigating Measures	29
G. Terms and Conditions for Project Financing	30
Annex 1: Detailed Description of Project Components.....	31
Annex 2: Results Framework and Monitoring	41
Annex 3: Summary of Estimated Project Costs.....	44
Annex 4: Operational Risk Assessment Framework.....	45
Annex 5: Financial Management and Disbursement Arrangements.....	53
Annex 6: Procurement Arrangements	59
Annex 7: Implementation and Monitoring Arrangements	68
Annex 8: Project Preparation and Appraisal Team Members.....	91
Annex 9: Environmental and Social Safeguards Assessment Framework.....	92
Annex 10: Economic and Financial Analysis	122
Annex 11: Lessons Learned and Reflected in the Project Design	129
Annex 12: Other Major Donor Interventions	132
Annex 13: Documents in Project Files	134
Annex 14: Statement of Loans and Credits.....	135
Annex 15: Country at a Glance	136
Annex 16: Maps.....	139

REPUBLIC OF MADAGASCAR

EMERGENCY SUPPORT TO EDUCATION FOR ALL PROJECT

PROJECT PAPER

AFRICA REGION

Basic Information	
Country Director: Haleh Z. Bridi Sector Manager/Director: Sajitha Bashir/ Ritva Reinikka Team Leader: Fadila Caillaud/Cornelia Jesse Project ID: P132616 Expected Effectiveness Date: October 1, 2013 Lending Instrument: Emergency Recovery Grant	Sectors: Primary education (100%), Themes: Education for all (100%), Environmental Category: B – Partial; Assessment Expected Closing Date: May 1, 2017 Joint IFC: Joint Level:
Project Financing Data	
<input type="checkbox"/> Loan <input type="checkbox"/> Credit <input checked="" type="checkbox"/> Grant <input type="checkbox"/> Guarantee <input type="checkbox"/> Other:	
Financing Plan (US\$ m)	
Source	Total Amount (US\$ m)
Total Project Cost:	85.4
Cofinancing:	
Borrower:	
Total Bank Financing:	
IBRD	
IDA	
New	
Recommitted	
Global Partnership for Education Fund (GPEF)	85.4
Client Information	
Recipient: Republic of Madagascar Responsible Agency: Ministry of Finance and Budget B.P. 61 Antananarivo 101, Madagascar Implementing Agencies: UAT-EPT (Unité d'Appui Technique–Education pour Tous; Education Technical Support Unit–Education for All) Contact Person: Mrs. Josiane Rabetokotany Telephone No.: +261-202228295 Email: uat_ept@moov.mg	

FY	14	15	16			
Annual	26.14	30.78	28.48			
Cumulative	26.14	56.92	85.4			
Project Development Objective and Description						
<p>Project Development Objective: The Project Development Objective (PDO) is to preserve access to primary education and improve the teaching and learning environment in targeted areas in the recipient's territory.</p> <p>Project description: The project will finance a package of essential interventions for preserving critical effective education service delivery of acceptable quality in response to the negative effects of the persistent political and economic crisis. The project supports the implementation of the Interim Education Sector Plan (IESP), building on complementarity and synergies with domestic and external partner activities in the sector. The project will support the following activities: Component 1: Facilitating access to and retention in primary education by reducing the costs of schooling borne by families (subsidies to community teacher salaries and school kits); Component 2: Supporting the learning process by improving the teaching and learning environment, through in-service teacher and school director training, provision of school grants, school infrastructure improvement, and school feeding activities; and Component 3: Strengthening the foundations of the primary education system by rebuilding the planning and monitoring capacity at the central and deconcentrated levels and improving community participation and social accountability.</p>						
Safeguard and Exception to Policies						
Safeguard policies triggered:						
Environmental Assessment (OP/BP 4.01)				[X]Yes [] No		
Natural Habitats (OP/BP 4.04)				[]Yes [X] No		
Forests (OP/BP 4.36)				[]Yes [X] No		
Pest Management (OP 4.09)				[]Yes [X] No		
Physical Cultural Resources (OP/BP 4.11)				[]Yes [X] No		
Indigenous Peoples (OP/BP 4.10)				[]Yes [X] No		
Involuntary Resettlement (OP/BP 4.12)				[X]Yes [] No		
Safety of Dams (OP/BP 4.37)				[]Yes [X] No		
Projects on International Waterways (OP/BP 7.50)				[]Yes [X] No		
Projects in disputed Areas (OP/BP 7.60)				[]Yes [X] No		
Does the project require any exceptions from Bank policies?				[]Yes [X] No		
Have these been approved by Bank management?				[]Yes [] No		

Conditions and Legal Covenants:		
Financing Agreement Reference	Description of Condition/Covenant	Date Due
5.01 (b)	Adoption of revised Project Implementation Manual for the purpose of the Project	Effectiveness
5.01 (c)	Recruitment/amendment of contract for the purpose of the project of the following key staff: (i) a national coordinator, (ii) a financial management specialist, (iii) a procurement specialist, and (iv) a monitoring and evaluation specialist.	Effectiveness
DATED CONVENANT		
	Recruitment of one internal auditor, two accountants, and one safeguard specialist, each selected in accordance with Section III of this Schedule and each with terms of reference, qualifications and experience satisfactory to the World Bank.	Three (3) months after effectiveness
	Recruitment of external auditors for audits of the Recipient's financial statement	Six (6) months after effectiveness
	Evidence that the draft budget law including the Recipient's annual budget for the next fiscal year, submitted to the Recipient's parliament for enactment, includes a provision for covering the payment of primary school community teachers' monthly subsidies over a period equivalent to at least eight (8) months, with no reduction in terms of number of beneficiary teachers and levels of remuneration and benefits, as compared to 2013	No later than October 15 of each year

Retroactive financing: Withdrawals of up to an aggregate amount not to exceed US\$ 8.0 million may be made for payments made **on or after August 1, 2013** to cover eligible expenditures.

A. Introduction

- 1. This Emergency Project Paper proposes a Global Partnership for Education Fund (GPEF) Emergency Recovery Grant to the Republic of Madagascar in the amount of US\$ 85.4 million for the Madagascar Emergency Support to Education for All (MESEA) Project.** Following an unconstitutional regime change in early 2009, Madagascar has experienced a prolonged and deep political crisis. The political crisis transitioned into a severe economic downturn, exacerbated by a series of external shocks and the withdrawal of most external funding. The impact on education outcomes has been substantial. After almost a decade of steady progress on the Education for All (EFA) Initiative and the Millennium Development Goals (MDGs), Madagascar's key education indicators have entered a rapid decline that heightens the risks of serious damage to the country's social fabric and human capital base. In this context, the Bank has applied its policy on rapid response to crises under OP/BP8.00 based on the need to address the most critical immediate and medium-term pressures on education outcomes.
- 2. This proposed operation, financed by a Grant from the GPEF, will provide much-needed financial assistance for basic education service delivery.** In merely three years, the crisis has been reversing a decade of progress in education. While enrolments in primary education almost doubled over 2002–09, they stagnated in 2010 and actually decreased, for the first time in decades, in 2011. Similarly, the primary completion rate, which had increased substantially from only 37 percent in 2001 to 79 percent in 2008, deteriorated to 74 percent in 2011. The Grant aims to halt such trends by helping to preserve the delivery of basic education services. Key objectives include maintaining children's access to and retention in primary school, helping to improve the learning environment, and strengthening stakeholder capacity to manage the primary education sector effectively. More specifically, the project will finance critical interventions such as: (i) subsidies for community teacher salaries and school kits; (ii) school grants, teacher training, school feeding, and school infrastructure; and (iii) social accountability activities, capacity building, and system strengthening.
- 3. This project complements other partner assistance to the Government of Madagascar's efforts to preserve basic education service delivery; this combined support constitutes a coordinated approach to implementing the Interim Education Sector Plan.** The World Bank has been asked to serve as the supervising entity for the Grant. The Bank has worked closely with the Ministry of Education in preparing the proposed project and consulting and coordinating with the Local Education Group (LEG) led by the United Nations Children's Fund (UNICEF). The proposed project is aligned with the Interim Education Sector Plan (IESP, Plan Intérimaire d'Éducation,) recently endorsed by the Local Donor Group. It complements the interventions of other bilateral and multilateral agencies, as well as the International Development Association (IDA)–financed Madagascar Emergency Support to Critical Education, Health, and Nutrition Services Project (MESEHN), and thus forms part of a coordinated response to the crisis that promotes synergies to maximize impact. This response will provide urgently needed support to families, a large share of which are poor, and whose already difficult socio-economic situation would otherwise deteriorate further. It will also forestall the collapse of key institutional structures and systems in the sector, which

would considerably heighten the challenge and cost of re-engagement once the political crisis is resolved.

B. Emergency Challenge: Country Context and Rationale for Proposed Project

Country Context

4. **Madagascar's economic potential has been weakened by periods of political fragility.** Over the past 15 years, the country has experienced 5 years of political crisis on two distinct occasions. This most recent crisis has persisted since the unconstitutional regime change in March 2009, with devastating effects on the economy, poverty, and social outcomes. Socio-economic development has suffered from growing insecurity, faltering progress on already weak governance,¹ a worsening ability to deal with exogenous shocks, and deteriorating infrastructure. Recent attempts to resolve the political stalemate through mediation by the Southern African Development Community (SADC) progressed notably when the independent electoral commission announced presidential and parliamentary elections. Initially set for May 2013, they are now planned for July 2013, with a potential second round scheduled for September 2013.² This step forward in implementing the SADC-brokered roadmap to end the crisis has garnered the support of international organizations. Despite these positive developments, the political climate remains uncertain.
5. **The effects of the crisis have been exacerbated by exogenous shocks.** Madagascar's economy is very fragile; its capacity to absorb further shocks is at the bare minimum. Being an open economy, Madagascar is particularly vulnerable to the global slowdown. Developments in the Eurozone, to which Madagascar is particularly exposed—through 80 percent of its tourism earnings, 50 percent of its exports of goods, 15 percent of its FDI, and other channels—are a serious cause of concern. It is estimated that a continuation of the recent series of serious shocks to the European economy could translate into another loss of GDP growth in Madagascar of about 1.5 percent a year for two years. Madagascar is also highly vulnerable to natural disasters, including cyclones, droughts, and floods. One-quarter of the population, representing 5 million people, is estimated to live in zones where the risk of natural disasters is high. While households vary in their ability to recover from a shock, poor households that lack the necessary physical and human capital are less likely to recover.
6. **The economic and social costs of the crisis continue to be profound, as poverty has worsened and public expenditures in the social sectors, especially education, have experienced sharp cuts** (detailed in the next section). Stagnant economic growth over 2009–12, combined with high population growth (2.9 percent), had a devastating effect on per capita income. Income per capita barely reached US\$ 400 in 2011³ and in 2012 reverted to its 2003 level—which is about US\$ 100 lower than it would have been under a normal growth trend. The economic and social effects of the crisis were intensified by the suspension of

¹ Efforts to improve public sector governance have stalled since the crisis erupted in 2009. Anti-corruption legislation and institutions were created prior to the crisis, but the institutional and regulatory reforms required to support their operation have yet to take place.

² The deadline for the declaration of the results of the second round of elections is December 3, 2013.

³ Based on the World Bank Atlas methodology.

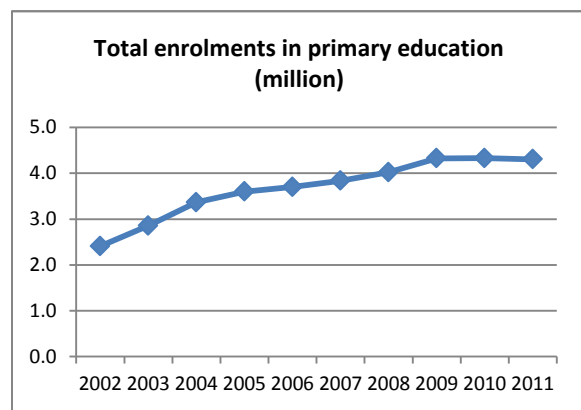
many donor activities, which, in a country where international aid represents at least 50 percent of the government budget, significantly curtailed investments and the delivery of services.

7. **Even before the crisis, Madagascar ranked among the world’s poorest nations, but as the crisis deepened, poverty worsened.** Madagascar ranks 151 of 187 countries in the world in human development, according to the 2011 United Nations’ Human Development Index. Preliminary estimates suggest that the proportion of the population living under the poverty line increased by 10 percentage points from 2008 to 2012, with the largest effects occurring in 2011–12 as the crisis deepened. Factoring in population growth, it is estimated that in 2012 Madagascar had some 4 million additional people in poverty compared to 2008. Madagascar now has one of the highest rates of poverty in the world.

Sector and Institutional Context

8. **In merely three years, the crisis reversed several years of progress in education.** From 2002 to 2008, Madagascar made considerable progress in expanding universal access to primary education and reaching gender parity.

Enrolments in primary education almost doubled over 2002–09, from 2.4 to 4.3 million, and the primary completion rate increased substantially, from only 37 percent in 2001 to 79 percent in 2008. Since then, however, various indicators point to a sharp deterioration in access to and retention in primary education. For example, enrolment stagnated in 2010 and actually decreased, for the first time in decades, in 2011.⁴ Dropout rates rose significantly after the crisis started



in 2009, falling from 19 to 25 percent in the first year of primary school. Overall, entering and completing primary school has become much more challenging since the onset of the crisis.

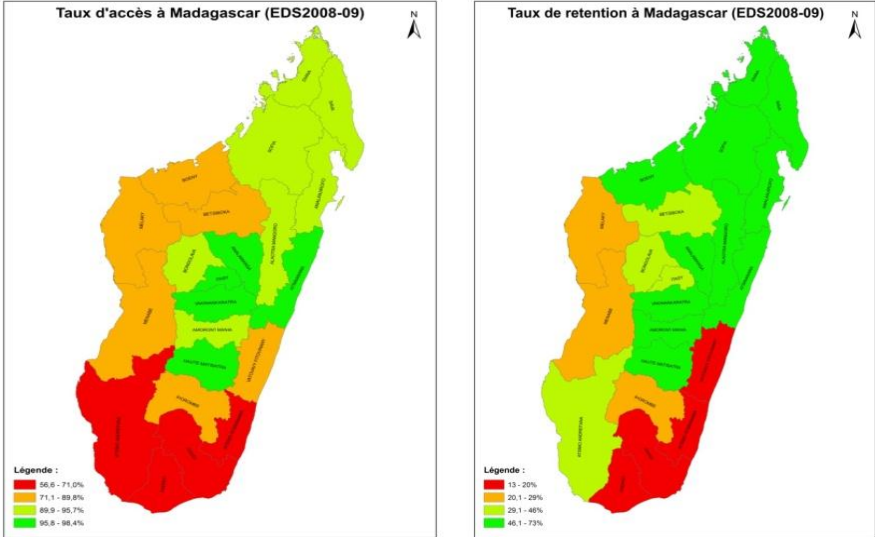
9. **More children have remained out of school since 2009.**⁵ According to the latest National Household Survey, the number of primary school age children who are kept out of school rose from an estimated 590,000 in 2005 to over 800,000 children in 2011—an increase of 35 percent. Although the precise number of out-of-school children in 2012 is not known, the decrease in primary school enrolments in a country where population is growing by an estimated 2.9 percent annually is a clear indication that more children are staying outside the primary education system.

⁴ Throughout this document, data for the 2010/11 school year are labeled as 2011 data.

⁵ The precise number of out-of-school children and trends in that number are difficult to determine because a population census has not been done since 1993.

10. **Who enters—and who remains—in primary school depends markedly on income level, geographic location, and (to a lesser extent) gender.** While 98 percent of the richest 20 percent of the population had access to primary education in 2009, only 77 percent of children from the poorest 20 percent of households did. This gap was even more pronounced with respect to retention, with a 63 percentage point difference between the richest 20 percent and the poorest 20 percent. Geographic inequalities and disparities are also pervasive. For example, access and retention rates are between 6 and 19 percentage points lower in rural areas than in urban areas. Further evidence for the rural-urban divide in school enrolment is that the majority of out-of-school children, 80 percent, live in rural areas. Children in the regions of Anosy, Androy, Atsimo Andrefana, and Atsimo Atsinanana have the greatest difficulty accessing education. Although gender inequalities are not as pronounced in Madagascar as in other developing countries, boys tend to lag behind girls in access to education, but girls drop out more often, especially if they are from rural areas or poor families.

Regional Disparities in Access and Retention in Primary Education



Source: Household Survey 2010.

11. **Access to primary education is severely affected by families' inability to pay the rising out-of-pocket costs resulting from sharp cuts in public spending.** Madagascar's relatively good macroeconomic performance has come at the expense of the social sectors, with drastic cuts in the national education budget. Spending per primary student decreased substantially from 2008 to 2011 alone, by MGA 10,000 (about US\$ 5 or 15 percent). Grants provided to

Share of Education Expenditures in Consumption

Quintile of consumption	2010	2005
1	2.4 %	2.2 %
2	2.6 %	1.9 %
3	2.6 %	1.5 %
4	3.0 %	1.8 %
5	3.4 %	2.4 %
Total	3.1%	2.1 %

management committees for learning materials declined by two-thirds, from US\$ 1.50 per pupil per year before the crisis to US\$ 0.45 in 2011. As many as two-thirds of primary school teachers are hired by communities, and a share of their salaries comes from parental contributions—which must now compensate for the gap in public spending on teacher salaries. For these reasons, expenditures on education as a share of household consumption rose from 2.2 percent in 2005 to 3.1 percent in 2010 on average. Empirical evidence from the National Household Survey shows that lack of income is the main reason for students to drop out of school or fail to enroll in the first place.

12. The rapidly deteriorating learning environment has caused student learning outcomes to decrease continuously over the last decade. National data on learning outcomes is still rare, with only three comparable student assessments carried out since

Changes in Test Scores for Grade 5 Students

	1998	2005	2012
French score	42.6	31.4	26.8
Math score	59.1	51.3	40.0
Malagasy score		50.0	43.5

Source: Diagnostic surveys (PASEC 1998, 2005 and MEN 2012).

1998.⁶ PASEC data show that from 1998 to 2005 there was a sharp decline in grade 5 student learning achievement. French and mathematics test scores decreased by 11 and 8 points, respectively. This trend has worsened considerably over the last few years, especially in the mathematics score, which dropped by another 11 points. An analysis of the key determinants of learning outcomes revealed that they are negatively affected by (i) having a non-civil-servant community teacher (supported through the Parents' Association, FRAM); (ii) teacher absenteeism; (iii) students' socioeconomic status (children engaging in livestock activities have lower performance); and (iv) distance to school and overall quality of school infrastructure. On the contrary, learning outcomes are positively impacted by: (i) in-service teacher training; (ii) the availability of teacher guides/materials; and (iii) the availability of learning materials for students, especially textbooks for French and mathematics.

13. The massive increase in the share of community (FRAM) teachers, who now constitute about two-thirds of all primary teachers, is a key driver of decreasing learning outcomes. To cope with rapidly increasing enrolment in primary education, which grew from 2.4 million in 2001 to 4.31 million in 2010, the government decided in 2002 to subsidize the payment of community (non-civil-servant) teachers, who were hired locally (and originally financed) by parents' associations. Since then, the number of community teachers has grown rapidly, rising from 31,512 in 2006 to 55,686 in 2010. Massive recruitment of these community teachers and government support for their salaries enabled the total primary teaching force to expand significantly (from 49,410 persons in 2000 to 81,791 in 2010) at a much lower cost (than civil servants, which earn almost 3 times as much). It enabled Madagascar to eliminate school fees, implement its policy of free primary education, and thus reduce the direct costs of education to families. This expansion of the teaching force was

⁶ PASEC assessments were carried out in 1997–98 and 2004–05. To prepare the IESP, the Ministry of Education conducted a nationally representative survey using the PASEC methodology in June 2012.

a critical success factor in improving access to education over the past decade from a Net Enrolment Ratio (NER) of 70 percent in 2001 to 89 percent in 2008. However, most community teachers are insufficiently qualified, never received any or only very little training; and face difficult working conditions. More than 80 percent of the FRAM teachers have no professional diploma (in other words, about two-thirds of all primary teachers lack adequate qualifications). The resulting weak understanding and mastery of the curriculum and of effective pedagogical approaches and practices is compounded by limited competency in the language of instruction. The recent learning assessment revealed that more than two-thirds of grade 5 (the last primary grade) teachers do not speak French regularly, probably because of their poor mastery of the language, which is nevertheless the language of instruction in that grade. Both the poor professional status of these teachers and the absence of a clear career path contribute to their low motivation and overall weak performance. For example, about 35 percent of FRAM teachers are also school directors, yet these additional responsibilities are not formally recognized or compensated.

14. **Given the prevalence of community teachers, they are likely to remain a permanent fixture of the education system, and improvement in their qualifications is a prerequisite to any improvement in learning outcomes.** Addressing all these issues would require comprehensive reforms of teacher management, training and career development. As first step for a policy dialogue on teachers, a series of studies is planned as part of the Interim Education Sector Plan in preparation of the long term sector plan. In the short to medium term, however, the weaknesses of the current system are being addressed in this transition phase through in-service training of community teachers in key basic competencies, which is an approach supported by all donors. The design and focus of the teacher training sub-component on key basic competencies and in-service training will ensure its impact and continued relevance as an essential building block independent of any teacher training, curricular or language of instruction reform by a new government.
15. **Existing mechanisms to improve community teachers' skills and qualifications are vastly insufficient.** Only civil servant teachers benefit from initial, pre-service training, although any form of pre-service training was suspended between 2006 and 2012. The capacity of the teacher training centers is very limited: Even before the crisis, in 2007, the national teacher training institute, INFP, and its regional offices, CRINFP only had the capacity to train around 2,000 student-teachers per year. In addition to pre-service training, the National Ministry of Education (MEN) has developed in-service training programs to support new approaches, including the competency-based pedagogical approach (*approche par les competences APC*). These training programs,—organized ad hoc, and managed and executed by the central level,—did not appropriately match the needs of a growing cohort of generally unqualified community teachers with limited skills. The lack of appropriate training is aggravated by the lack of a coherent teacher support system. School inspectors have virtually disappeared. The ratio of pedagogical counselors to teachers is low in the school districts⁷ (1:173). The sub-district officers (chefs ZAP), who are closest to schools, lack the resources, time, and skills to support teachers with limited teaching and language

⁷ Circonscription Scolaire (CISCO).

skills. Because those teachers are often left to their own devices, the quality of instruction remains very low.

16. **The lack of basic supplies, such as paper and chalk, is also a key constraint to improving learning achievement.** The availability of basic supplies has been reduced by the drastic cuts in domestic financing for school grants since 2010. That year, the total amount available for school grants in the Ministry of Education budget was US\$ 2.07 million instead of the US\$ 5.3 million initially envisaged. While the previous GPEF Grant was able to fill the gap between 2010 and 2012, its closing in 2012 endangers the provision of supplies that are vital for schools to function and students to learn.
17. **Poor health and nutrition among pupils, especially in areas prone to food insecurity, also constitute significant constraints to children's school attendance and learning capacity.** The national program for nutrition and school feeding for 2012–15 states that a high prevalence of intestinal worms is responsible for iron-deficiency anemia in school-age children. A recent analysis of the nutrition and health status of children in two districts of southern Madagascar showed that roughly one-quarter of the entire sample had a low Body Mass Index (BMI) for their age group, an indicator of thinness likely brought about by a recent lack of food. Children from poorer households were more likely to be malnourished. The analysis found that illness and malnutrition reduced school participation; and that malnourished children were nearly one year older than other children in the same grade because they started school later and repeated more grades. In addition, the data showed lower test results among stunted and thin children, suggesting that school feeding programs were effective at improving attention at school.
18. **Finally, in specific areas, depleted school infrastructure constitutes a significant impediment to improving learning outcomes.** The School Construction Strategy (2008–15) estimated annual classroom needs at about 3,000 classrooms. More specifically, 1,200 classrooms are needed for grades 1–5 to replace those destroyed by cyclones and meet the goal of universal primary education by 2015. An additional 1,800 new classrooms are needed to implement the 2007 reform to expand basic education to grades 6 and 7. Over 2008–09, Madagascar added about 1,500 classrooms, but financial constraints stopped this rapid progress in 2009. Only 150 classrooms were built annually under the GPEF Grant II over 2009–12. The slow progress triggered a dramatic increase in communities' involvement in building primary classrooms using their own means. As a result, the number of substandard classrooms nearly doubled, increasing from about 5,300 in 2007 to 9,900 in 2011, and the share of substandard classrooms almost doubled as well, increasing from 7.5 percent to 13.3 percent. The school environment also deteriorated strongly with regard to water supply and adequate sanitation. Recent learning achievement data show that the increased distance to school as well as poor schooling infrastructure have negatively affected student learning.
19. **Weak institutional capacity at the central and deconcentrated levels is a key constraint to any medium- and long-term improvement of learning outcomes.** Management of the primary education system follows a centralized model, in which central Ministry of

Education entities are responsible for implementing the education strategy with support from deconcentrated entities.⁸ The ministry's ability to efficiently manage and monitor the implementation of its strategy is constrained by several factors in addition to the unstable political situation. First, the ministry has no strategic medium- and long-term planning framework to guide interventions over the long term. Second, institutional capacity in planning, monitoring, human resources, and financial management is weak, particularly at the deconcentrated levels. Third, the division of roles and responsibilities between the various ministry entities is unclear. A fourth factor is the acute lack of equipment and other resources, and a fifth is the very limited analytical basis to inform the ministry's policies and strategies.

20. **Communities' relatively weak capacity to participate fully in managing their schools and play an active role in monitoring the system's performance at the local level represents a significant missed opportunity.** While households' financing of primary education has increased significantly in recent years, their involvement in managing their children's schools remains low. In practice, communities' low capacity and poor understanding of their potential role constrain their participation in school-level decision making and management. Given the existence of a well-functioning institutional framework for school-based management and almost a decade of experience in this area, strengthening communities' capacity for actively and effectively participating in managing their schools would contribute to greater accountability and potentially to better performance.
21. **In summary, the primary education system faces three separate but mutually reinforcing challenges: (i) preserving access and retention; (ii) improving the learning environment; and (iii) strengthening the capacity and participation of stakeholders.**

Government Emergency Response and Strategy for Recovery

22. **A five-year development plan, the Madagascar Action Plan (MAP), was put in place by the government in 2006 and broadly endorsed by the international donor community.** The MAP focused on several key areas: (i) building and maintaining infrastructure; (ii) increasing agricultural production; (iii) enhancing social protection; and (iv) mitigating and responding to the impacts of natural disasters. It outlined a strategy to reach the Millennium Development Goals and support the poor and vulnerable segments of the population. The crisis put implementation of the MAP on hold. The High Transitional Authority (Haute Autorité de la Transition) currently in power has neither formally refuted nor endorsed the MAP. As a result, there is currently no formal overall government strategy.
23. **Nevertheless, the Ministry of Education has developed an Interim Education Sector Plan, endorsed in February 2013 by the government and its partners, which outlines key strategic priorities for the ministry and its partners over 2013–16.** The ministry developed the IESP with support from the Local Education Group and the Global Partnership

⁸ The ministry is decentralized at the regional level, with 22 Directions Régionales de l'Éducation Nationale (DRENs); at the district level, with 114 school districts (CISCOS); and at the community (*commune*) level, with 1,591 ZAPs (subdistricts), which have a total of 35,747 schools.

for Education (GPE). The plan's inclusive, consultative development has contributed to rebuilding the ministry's ownership and leadership of the sector and has strengthened the coordination mechanisms within the Local Education Group. Consultations with regional actors in the basic education system as well as civil society organizations were carried out in September 2012 to ensure broad adherence to the plan's principles and main activities. The IESP is based on two principles: (i) addressing essential needs; and (ii) laying the foundation for long term sector development through analytical work and capacity strengthening. The preparation of a full, long-term education sector plan is planned for the period of the GPEF Grant.

24. **In a context of rapidly deteriorating education outcomes and limited political and fiscal space, the IESP focuses on activities that are deemed achievable as well as essential to the survival of the system.** The IESP prioritizes a limited number of activities aimed at protecting access to basic education services and halting the dramatic drop in learning achievement observed over the last decade. In the present context of depleted capacity, the IESP gives priority to strengthening stakeholder capacity to ensure that the system is in a position to rebound when the political situation improves. Given the restricted mandate of the current transitional government,⁹ the IESP is not able to address questions that are fundamental for the development of the Malagasy education system but require far-reaching reforms, such as questions related to curricula and the language of instruction. Although this situation may reduce the IESP's impact on improving learning outcomes over time, it has also helped to maintain a degree of realism in the selection and scope of activities. Prioritization and realism are necessary amid the current political uncertainty, which will probably last beyond the elections. It will take some time before the primary education system will be completely operational and capable of implementing and absorbing fundamental change. This is particularly true of reforms that may require extensive consultation with a broad range of stakeholders, such as a potential change in the language of instruction.

Donor Programs and Coordination Mechanism

25. **Between 2008 and 2012, donor funding dropped dramatically and the use of parallel implementation mechanisms increased rapidly.** External assistance to basic education was significantly reduced from an estimated US\$ 32 million in 2007 to US\$ 17 million in 2011. Aside from the loss of sector-specific aid, the suspension of overall budget support has had the greatest impact on financing in the education sector.
26. **Aid modalities were also significantly revised.** Almost all donors suspended new commitments, though some continued to provide humanitarian and poverty assistance through specialized agencies or non-governmental organizations (NGOs). Among the largest donors to the primary education sector, only the French Development Agency (Agence Française de Développement, AFD) continued its normal assistance program, while Norway channeled support through UN agencies such as UNICEF, the International Labour

⁹ In conformity with the SADC roadmap to end the crisis, the High Transitional Authority, in power since 2009, focuses on day-to-day management of the country and has to date refrained from committing to long-term policy changes.

Organization, and the World Food Programme (WFP). While the first GPEF Grant (2005–08) was implemented by the Ministry of Education, the second Grant (2009–12) was implemented by UNICEF acting as managing entity.

27. **Since 2012, donors have cautiously resumed policy dialogue while providing increasing but still limited financial support.** The European Union (EU) recently approved two new programs, a one-year grant in the amount of € 15 million (US\$ 20.4 million) aimed at funding priority activities for 2013, which will be implemented by UNICEF, and a three-year program (2013–15) in the amount of € 22 million (US\$ 29.9 million) to support activities in five regions. AFD will provide US\$ 10 million per year for 2013–15, while Norway and UNICEF will each provide about US\$ 10 million annually until the end of 2013 (for more detailed information, see Annex 12). Finally, the Bank recently approved an IDA-financed multi-sector education, health, and nutrition operation for US\$ 65 million for 2013–16, including US\$ 25 million earmarked for education activities in five regions. This complementary financing has been coordinated closely with the EU and other partners. The second GPEF Grant of US\$ 64 million, implemented by UNICEF, closed in December 2012.
28. **The previous GPE Grant contributed to mitigating the impact of the crisis on education outcomes, but its closure in December 2012 is endangering the basic functioning of the system.** Madagascar benefited from two previous Grants from the GPEF—formerly the Education for All Fast Track Initiative (EFA–FTI) Catalytic Fund—in 2006 and 2009 (see Annex 12). The first Grant supported extensive changes in enrolment and completion as well as systemic reforms. The second Grant, implemented from 2009–12 amid political uncertainty and increasing vulnerability, accordingly targeted activities that were key for the system to keep functioning but that the government, with its drastically reduced resources, could not support. More specifically, the second GPEF Grant funded subsidies to community teachers’ salaries, school grants, school kits, and school feeding interventions implemented by WFP. Although it is difficult to know the counterfactual precisely, this Grant most likely helped to offset the impact of the crisis on primary education outcomes. With the Grant’s closure in December 2012 and limited resources projected to support implementation of the IESP, this new Grant will be crucial to fill the funding gap, help maintain the basic functions of the primary education system, and contribute to preparing the ground for the future development of the system.
29. **The Local Education Group is an effective mechanism to coordinate technical and financial support to the basic education sector.** Although donor coordination remained strong during the crisis, the collaborative process of developing the IESP and the proposed operation has strengthened that collaboration and renewed the Ministry of Education’s leadership and ownership of the sector. A formal Local Education Group was established in June 2012, with detailed Terms of Reference. The group, led by the ministry, comprises local representatives from bilateral and multilateral development partners, civil society, private education providers, and the Ministries of Finance, Public Function, Health, Higher

Education, Technical and Vocational Training, and Education.¹⁰ The group meets regularly and has been fully associated in the development of the IESP and the project design.

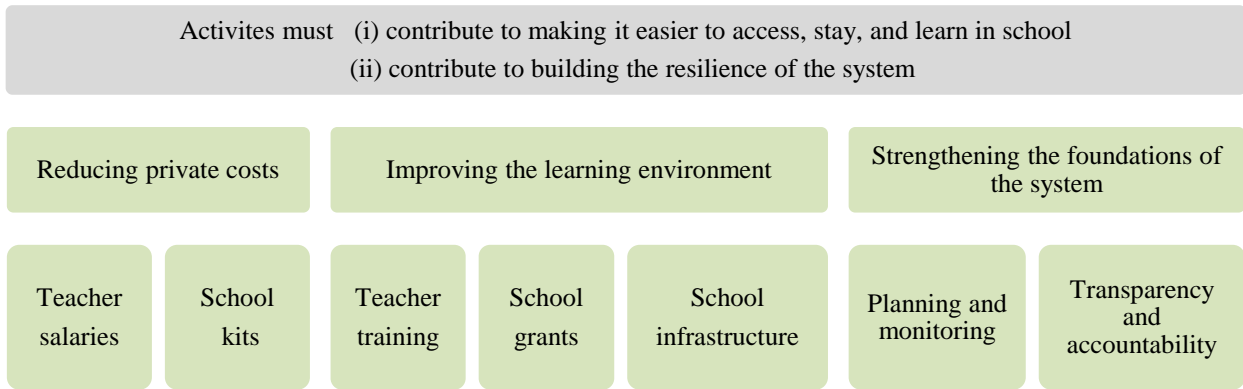
30. **Within the Local Education Group, UNICEF fulfills the role of Coordinating Agency (CA) and the World Bank that of Supervising Entity (SE) for the purposes of the government’s application to the GPEF.** As Coordinating Agency, UNICEF takes the lead, jointly with the Ministry of Education, in coordinating annual joint sector reviews to monitor the implementation of the IESP and to ensure the timely commitment and disbursement of funds. The Coordinating Agency also reports on progress in the IESP implementation, including funding commitments and disbursements of all partners on an annual basis. The Coordinating Agency serves as the primary communication link between the Ministry of Education, Local Education Group, and the GPE. As Supervising Entity, the World Bank has been supporting preparation of the Government of Madagascar’s GPE application in collaboration with UNICEF and the other partners. The Supervising Entity assumes full fiduciary oversight over the GPEF Grant and supervises its implementation by the Government of Madagascar.

Technical and Operational Principles for the Selection of Activities Financed by the Grant

31. **Within the framework of the IESP, the proposed operation prioritizes activities aimed at protecting education outcomes by making it easier to access, stay, and learn in primary school and by building the system’s resilience.** As the sector analyses pointed out, key constraints to improving education outcomes include significant demand-side constraints related to the sharp increase in private costs of services arising from cuts in public financing since 2009. The proposed operation therefore prioritizes activities that will facilitate access to basic education by reducing the private cost of services. In addition, the proposed Grant seeks to ease constraints on basic school supplies and foster a more conducive learning environment. Finally, in a context of reduced institutional capacity and recurrent instability, activities selected under the Grant will aim at building resilience in the primary education system by strengthening its foundation. Specifically, the Grant will build capacity for planning and monitoring of the central and deconcentrated entities of the MEN and will also improve community participation through increased transparency and accountability mechanisms.

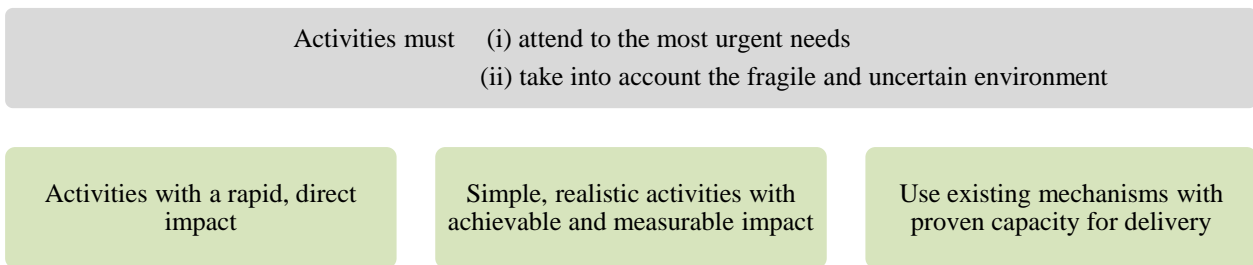
¹⁰ Ministère des Finances et du Budget; Ministère de la Fonction Publique, du Travail et des Lois Sociales; Ministère de la Santé Publique; Ministère de l’Enseignement Supérieur et de la Recherche Scientifique; Ministère de l’Enseignement Technique et de la Formation Professionnelle.

Technical Criteria for the Selection of Activities Financed by the GPEF Grant



32. **In addition, the proposed design and approaches are based on the following key operational principles, among others: (i) a focus on the most urgent needs; and (ii) explicit consideration of the fragile and uncertain context.** For this reason, activities were selected based on their potential to preserve basic education service delivery and provide the poor with rapid relief and preserve, to the extent possible, their education outcomes. In recognition of the fragile country and sector context, characterized by low capacity and enduring uncertainty, the project is designed to attain realistic goals through the selection of simple activities with achievable and measureable results. To speed up implementation and deliver results as fast as possible, the proposed operation builds on existing mechanisms and activities.

Operational Criteria for the Selection of Activities Financed by the GPEF Grant



33. **Finally, activities were carefully selected to ensure complementarity and synergy with other projects and programs.** The proposed operation is fully coordinated with other partners' activities and also has substantial complementarities with other projects in the IDA portfolio (see Annex 12 for more details):

- **UNICEF:** In addition to its own funded activities, UNICEF is the implementing agency for a number of bilateral and multilateral agencies (Norway, EU, and the African Development Bank). Its program covers seven regions where it supports Early Childhood Development, girls' secondary education, school construction, school-based management, teacher training, learning materials, and curriculum development. UNICEF

will start a new program of activities in 2014, which will complement the proposed operation within the framework of the IESP.

- **EU:** The EU education project (PASSOBA)¹¹ targets five regions where it supports community teacher salaries, school grants, teacher and school director training, and institutional development at deconcentrated levels. In addition, the EU funds a one-year program to fill the 2013 financing gap, which includes support to community teacher salaries in 12 regions not covered by the other EU and the IDA projects, as well as support for school kits and the school feeding program.
- **AFD:** AFD provides substantial technical assistance to the Ministry of Education and supports school feeding activities implemented by WFP. In addition, a new project starting in 2013 supports learning materials in French, teacher and school director training, lower and upper secondary education, and institutional development at various levels.
- **Norway:** Norway finances activities related to curricula and learning material development, school feeding, and school construction. As noted, all Norway-financed activities are currently implemented by UNICEF, WFP, and the International Labour Organization (ILO).
- **IDA:** The Emergency Support to Critical Education, Health, and Nutrition Service Project aims to preserve these social services in five regions. Key education activities include subsidies to community teacher salaries, support to school grants, and school health and nutrition activities. In addition, the IDA-financed Second Governance and Institutional Development Project includes a focus on enhancing social accountability, access to information, and knowledge sharing among state and non-state actors. The proposed project will work toward these aims for the education sector by: (i) enhancing civil society's capacity to monitor budgets and (ii) increasing the administration's transparency through community scorecards and school report cards.

34. Overall, the technical and operational principles according to which activities were selected are consistent with the GPE Strategic Goals for 2012–15 and will give a key role to this proposed operation in rebuilding the primary education system while strengthening alignment and coordination. The proposed activities will contribute directly to achieving the strategic goals of the GPE over 2012–15, namely: (i) access for all; (ii) learning for all; (iii) reaching every child; and (iv) building for the future. In addition, the design of the proposed Grant embeds core principles of the GPE, including country ownership by fully aligning with the IESP, strong coordination between partners, a focus on the most efficient approaches to achieve measurable results, the promotion of transparency and strengthened accountability, and the use of country systems to the extent possible. The proposed Grant, together with other domestic and externally funded programs and projects, constitutes an effective program to achieving the objectives of the IESP and will significantly contribute to preserving and rebuilding the primary education system in Madagascar.

¹¹ Programme d'Appui aux Services Sociaux de Base Education.

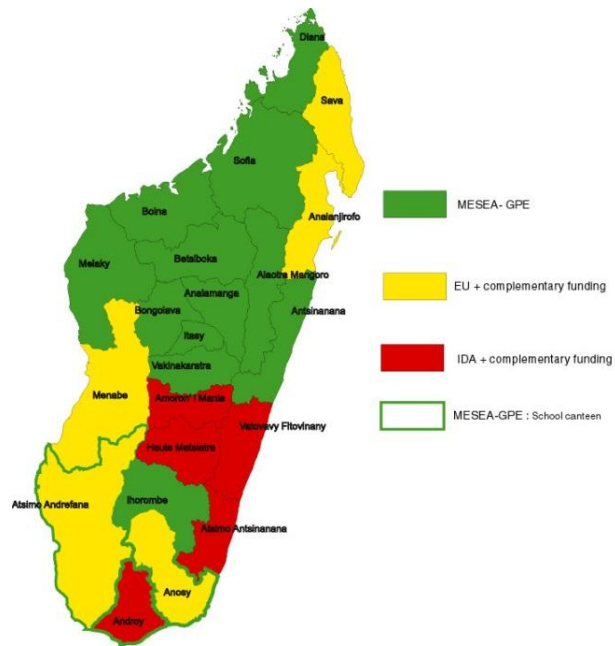
C. Bank Response: The Project

Project Development Objectives

35. **The Project Development Objectives (PDO)** are to preserve access to primary education and improve the teaching and learning environment in targeted areas in the recipient's territory.

36. **The proposed operation is targeted to 12 primary regions to ensure complementarity and avoid overlap with other donor interventions in support of IESP implementation.** Regional targeting will also facilitate implementation and supervision of the project. In

addition to other activities, the IESP identifies a package of interventions that are essential for limiting the rapid deterioration of the primary education sector. This package of interventions includes: (i) subsidies to community teacher salaries; (ii) provision of school kits; (iii) key training activities for community teachers; (iv) school grants; (v) school feeding activities in selected regions with severe food insecurity; and (vi) school infrastructure improvement. Several partners have already committed to supporting these activities, but their interventions are often limited to a set of regions. To ensure complementarity and avoid overlap,



the Local Education Group undertook a detailed mapping to guide the regional targeting proposed for this operation. The 12 primary regions selected for funding under the Grant will all receive the package of essential interventions, and in other regions this package will be supported by a mix of funding sources (see map and Annex 12 for more details).¹² The 12 primary project regions are the following (except for the school feeding activities): Alaotra Mangoro, Analamanga, Atsinana, Betsiboka, Boeny, Bongolava, Diana, Ihorombe, Itasy, Melaky, Sofia, Vakinankaratra. School feeding activities will be implemented only in three other regions, where needs are greatest: Anosy, Androy, and Atsimo Andrefana. In addition to ensuring complementarity, the proposed targeting will facilitate the implementation and supervision of the Grant and will ultimately optimize impact.

¹² Cognizant of the very specific needs of regions in South Madagascar, the project will support school feeding activities in three of these regions with particularly severe food insecurity.

Summary of Project Components

37. **Component 1: Facilitating access to and retention in primary education by reducing the costs of schooling borne by families (US\$ 37.2 million).** This component, which complements interventions by other donors, will address demand-side constraints in access to schooling by mitigating some of the negative effects of the crisis on the financial ability of households to access education services. This component will support the following two activities: (i) subsidies to community teacher salaries and (ii) the provision of school kits to public primary schools. By reducing the out-of-pocket costs of schooling for households, which finance 19 percent of total primary education expenditures and have become increasingly unable to afford these financial contributions, this component is expected to mitigate the abrupt decline in enrolment observed since 2010.
38. **Component 2: Supporting the learning process by improving the teaching and learning environment (US\$ 35.9 million).** This component will help establish a more conducive schooling environment by supporting four key supply-side activities that can be improved over the short term: (i) training non-civil-servant community teachers in key basic competencies; (ii) topping up the grants provided to public primary schools by the government (called *caisse école*), which finance operational expenses, pay for basic learning supplies, and fund activities of the school annual expenditure program and annual school action plan; (iii) school feeding activities, which will include meals/rations for primary school students in targeted areas; and (iv) improving school infrastructure improvement in selected areas.
39. **Component 3: Strengthening the foundations of the primary education system by rebuilding stakeholders' capacity and improving community participation and transparency (US\$ 8.3 million).** This component will contribute to strengthening the foundations of the primary education system by ensuring that the various stakeholders (both institutions and communities) are in a position to better respond to the medium- and long-term challenges of the sector once the political crisis is resolved. It will support three activities: (i) strengthening institutional capacity, in particular the planning and monitoring functions of the Ministry of Education, to ensure that the system has the capacity to rebound once the political crisis is resolved; (ii) building the capacity of local communities to manage their schools, monitor education performance, and promote enhanced accountability; and (iii) providing the necessary support to implement and monitor the IESP and project activities.
40. **Unallocated Category (US\$ 4 million).** Approximately five percent of project financing will be unallocated. These funds can be used to cover cost overruns or as a contingency for unforeseen costs related to project activities deemed necessary to reach the PDO. In particular, the unallocated amount may be used to: (i) facilitate a quick response to unforeseen events that require rapid assistance to affected populations and (ii) adjust the design of the teacher training component if needed after the feasibility analysis is completed.

Overview of Components and Subcomponents

<p>Component 1 Facilitating access to and retention in primary education (US\$ 37.2 million)</p>	<ul style="list-style-type: none"> •1.1 Subsidies to community teacher salaries (US\$ 22.3 million) •1.2 Provision of school kits (US\$ 14.9 million)
<p>Component 2 Supporting the learning process (US\$ 35.9 million)</p>	<ul style="list-style-type: none"> •2.1 Community teacher training in key basic competencies (US\$ 9.6 million) •2.2 Top-up to school grants (US\$ 14.3 million) •2.3 School feeding activities (US\$ 7 million) •2.4 School infrastructure improvement (US \$5 million)
<p>Component 3 Strengthening the foundations of the system (US\$ 8.3 million)</p>	<ul style="list-style-type: none"> •3.1 Institutional strengthening (US\$ 2 million) •3.2 Capacity building for communities (US\$ 2 million) •3.3 Project management and monitoring and evaluation (M&E) (US\$ 4.3 million)
<p>Unallocated Category (US\$ 4 million)</p>	<ul style="list-style-type: none"> •To facilitate a quick response to unforeseen events that require rapid assistance to the affected population

Eligibility for Processing under OP/BP 8.0

41. **The proposed instrument will be an Emergency Recovery Grant, an instrument to provide rapid support for addressing major adverse economic and social impacts resulting from an actual or imminent natural or man-made crisis or disaster.** Dramatic budget reductions in the education sector have caused the delivery of basic education services to deteriorate significantly, increasing the vulnerability of already very poor communities (as detailed in the country context and sector section). If emergency assistance is not provided, this alarming trend in the education sector is expected to worsen, posing a further danger to social cohesion. In the current country context, the cost of inaction in the education sector is high and already disproportionately affects the poorest and most vulnerable quintiles of the population. This temporary crisis will, in fact, permanently affect the potential of the country's human capital and will limit the impact of future interventions to reduce poverty. The project will support specific objectives identified in OP 8.00 to be supported through emergency assistance.

Consistency with Country and Bank Strategies for the Education Sector

42. **The focus and approach of the proposed project is consistent with the Interim Strategy Note for Madagascar, the recommendations of the 2011 World Development Report on conflict and security, and the World Bank's Africa and Education Strategies.** Given the continued difficult political context, a two-year Interim Strategy Note (2012–14) was discussed by the Board in February 2012. The ISN proposes a cautious, strategic, and selective approach to new operations to mitigate the heavy impact of the crisis and identifies the education sector as a priority area. The proposed project also integrates lessons from the

2011 World Development Report, which highlights the critical role of strengthening community-based social services in a fragile environment by producing tangible benefits for communities relatively quickly and thus promoting social cohesion. The proposed project reflects a core area of the World Bank’s Africa Strategy, notably by addressing vulnerability and strengthening resilience, and it will contribute to achieving key objectives of the World Bank Education Strategy, including reducing inequality and improving learning outcomes. As noted, the proposed operation is aligned with the GPE Strategic Goals for 2012–15: (i) access for all; (ii) learning for all: (iii) reaching every child: and (iv) building for the future.

Expected Outcomes

43. **There are four Project Development Objective (PDO) indicators.** Given the relatively short duration of the project, the fragile country context, and the interim focus of the sector plan, it is not realistic to expect improvements in *outcome* indicators, but successful implementation of the project will provide the foundation for more long-term sector development. Therefore, in line with good practice for emergency projects, the PDO indicators will consist of *output* indicators that are based on simplicity, achievability, and measurability and are directly attributable to the project’s activities (see the table below). These indicators primarily use existing data sources and feed into the IESP indicators (see Annex 2 for the results framework, with a full list of indicators, baselines, and targets). Output data will be disaggregated by gender and urban/rural as much as possible to ensure that project outputs will reach all beneficiaries, in particular vulnerable groups.

Project Development Objectives, Components, and Indicators

Project Development Objective	Components	PDO Indicators
To preserve access to primary education and improve the teaching and learning environment in targeted areas in the recipient’s territory		1. Direct Project Beneficiaries (percentage female)
	Component 1: Facilitating access to and retention in primary education by reducing the costs of schooling borne by families	2. Number of students enrolled in primary schools in project areas
	<ul style="list-style-type: none"> •Support to community teacher salaries •School kits 	
	Component 2: Supporting the learning process by improving the teaching and learning environment	3. Number of community (FRAM) teachers benefitting from training in basic competencies provided by the project (by gender)
	<ul style="list-style-type: none"> •Community teacher training in key basic competencies •Top-up to school grants •School infrastructure improvement •School feeding activities 	4. Number of classrooms built or rehabilitated at the primary level resulting from project interventions

44. **Several core GPE *outcome* indicators will be tracked by the Ministry of Education, however, and reflected in the project reporting in addition to the project’s results**

framework. The purpose is to facilitate the assessment of the overall implementation of the sector plan and of the performance of the primary education system, since the project represents a substantial part of the sector plan framework. The GPE core outcome indicators to be tracked include the following: (i) Gross Intake Rate; (ii) Gross Enrolment Rate; (iii) Pupil-Classroom Ratio; and (iv) Primary Completion Rate.

D. Appraisal of Project Activities

Technical

45. **The key operational features of the proposed operation include: (i) a focus on the most urgent needs; and (ii) due consideration of the fragile and uncertain context.** The proposed operation seeks to attend to the most urgent needs of the population amid deteriorating education outcomes. Activities were therefore selected based on their potential to preserve basic education service delivery and to thus provide rapid relief for vulnerable populations to preserve their education outcomes to the extent possible. The proposed project design aims to be realistic, by selecting simple activities with achievable and measureable results that are appropriate in the fragile country and sector context, which is characterized by low capacity and persistent uncertainty. Finally, the proposed operation builds on existing mechanisms and activities as much as possible as a means of speeding implementation, delivering results quickly, and reducing risks.
46. **Activities under this Grant form, together with the programs and projects of the government and external partners, a coordinated response to the current rapid deterioration in primary education outcomes.** Proposed activities are fully aligned with the recently endorsed IESP¹³ and were selected to ensure complementarity and synergy with other projects and programs. The proposed operation prioritizes activities aimed at protecting education outcomes by making it easier to access, stay, and learn in primary school and by building the system's resilience. On the one hand, activities seek to ease key demand-side constraints to access and retention by enabling households to reduce the financial burden linked to schooling. On the other hand, the proposed activities constitute a realistic attempt to improve the supply of primary education services by promoting a conducive schooling environment. Finally, in a context of depleted institutional capacity and recurrent instability, activities aim at building the system's resilience by strengthening its foundation. This support will ensure that the system is in a position to rebound when permanent institutions are in place. In this way, combined with other programs supported by the Ministry of Education and its external partners, the proposed operation is an integrated response to the most urgent needs of the primary education system.
47. **The approach for the proposed project builds on experience and evidence.** The project design is based on the analysis and recommendations of several pieces of Economic and Sector Work jointly undertaken by the MEN and IDA, as well as other sector studies prepared by development partners and local and international researchers and operations, such as an analysis by UNICEF of school exclusion, an organizational audit of the

¹³ By the Government and the Local Education Group.

department of human resources by AFD, and the ongoing World Bank study on the impact of the crisis on the education sector, among others. The project's design and its implementation approach also integrate best practices from relevant IDA projects in Madagascar and the region and other donor projects (see Annex 11 for lessons learned and integrated into the project design).

Fiduciary

48. **Financial Management:** The financial management residual risk rating for the project is moderate. The Education Technical Support Unit–Education for All (Unité d'Appui Technique–Education pour Tous, UAT-EPT), as the implementing agency, will be responsible for the financial management of the project (except for part of the school feeding activities, to be implemented by WFP). WFP is a signatory of the Fiduciary Principles Accord (FPA) between the World Bank and UN entities, according to which it may implement OP 8.00 Project activities financed by the Bank in accordance with its own fiduciary policies. As a project implementing entity, WFP will receive a sub-grant for those activities through a subsidiary agreement, at least for the first year of the school feeding intervention (for details see Annexes 5–7). A financial management assessment of UAT-EPT was undertaken to evaluate the adequacy of the proposed financial management arrangements in compliance with Bank Policy OP/BP 10.02 and the Financial Management Manual dated March 1, 2010. The Technical Support Unit (UAT-EPT) was implementing part of the activities of the Education for All Grant, which was managed by UNICEF and just closed in December 2012; and is currently responsible for implementing the education component of the IDA-financed Emergency Support to Critical Education, Health, and Nutrition Services Project. The Unit's financial management personnel possess the relevant qualifications and the appropriate experience with regard to World Bank Financial Management (FM) procedures and requirements. To reinforce the financial management capacity for the project, UAT-EPT will be required to recruit two additional Accountants with appropriate experience and qualifications, together with an additional Internal Auditor will provide objective assurance over the operations of this specific Grant. Annex 5 provides details of the Financial Management arrangements for this project. Over the course of project implementation, options for more integrated procedures will be explored as the political situation evolves. Given the current substantial governance risk and risk of political interference, however, the proposed arrangements are necessary to ensure and safeguard appropriate use of funds.
49. **Procurement:** The overall project risk for procurement is moderate. Similar to the financial management functions, procurement functions will be implemented by UAT-EPT. A procurement capacity assessment for the Project Implementation Unit (PIU) found that its capacity is satisfactory. Apart from identifying the minimum required staffing (one procurement specialist with qualifications acceptable to IDA) needed for the procurement unit to be satisfactory to IDA, no other mitigation measures have been identified at this time. Close supervision and support will be undertaken to propose any additional mitigation measures, if and when needed. Annex 6 provides details on the procurement arrangements for this project.

Summary of Economic and Financial Analysis

Education Financing

50. **In the social sectors, government budget constraints arising from the decrease in external aid and domestic revenues since the start of the crisis severely impacted service delivery.** Recurrent expenditures in education consist predominantly of salaries (89 percent in 2011). Goods such as learning supplies and services account for only a small share of recurrent expenditures (11 percent). The relatively low recurrent spending on instructional materials limits their availability in schools and requires household contributions to close this gap in public spending. In 2010, parents financed about 19 percent of total primary education expenditures,¹⁴ and families spent 3.1 percent of their total expenditures on education in 2010, compared to only 2.1 percent in 2005. The largest share of those parental contributions (42 percent) went to school fees, which to a large extent finance community teachers in public schools, followed by pedagogical materials (35 percent).
51. **The proposed project interventions aim to make education more affordable and to increase the performance of the system by facilitating the learning process.** Greater affordability will have a positive impact on demand for education services, which will translate into increased school retention and attendance. Investment in the learning environment will help to halt the rapid deterioration of learning outcomes, which will increase the external efficiency of the system.

Economic analysis of main features of the project

52. **The proposed project interventions are cost-efficient.** The unit cost of a community teacher (MGA 110,000 or about US\$ 55) is considerably lower than that of a civil servant teacher, which is on average MGA 380,000 (about US\$ 175). School grants are to a large extent used to fund basic learning inputs. Qualitative analysis from several countries shows that local acquisition of these supplies is more cost-efficient than centralized acquisition by the central ministry or district for the following reasons: (i) the direct costs associated with transporting and stocking materials at the central and subsequent levels; (ii) the indirect costs (time and effort) for the various decentralized levels involved to organize the distribution of centrally purchased supplies through the administrative chain to schools (which, based on experience, can be substantial); and (iii) better alignment with actual local needs of schools.
53. **Given that the operation finances recurrent expenditures such as subsidies to community teachers, school grants, and school kits, it is essential to ensure continued government commitment and a strategy for sustainable financing of these activities over the medium to long term.** In the medium to long term, with a normalization of the political and economic situation, it is expected that the government will be able to resume most of these recurrent expenditures. In the meantime, a financially sustainable long-term education sector plan will be prepared, which will lay the foundation for long term sector development. The plan will include analytical work on teachers to inform policy dialogue

¹⁴ 2010 National Household Survey.

and decision making on these issues. The main donors have been coordinating closely to provide financial assistance for sector priority expenditures identified by the Ministry of Education and to fill funding gaps. The situation is similar for support to school grants, which the government continues to fund at a reduced amount, albeit with difficulty. This funding nevertheless attests to considerable government commitment for these expenditures.

Safeguards

The proposed MESEA-GPE project is classified as environmental Category B, because activities funded under the project are not expected to have significant negative environmental and/or social impacts. In fact, parts of the activities described within the proposed operation will focus on capacity building and training, material and equipment procurement, and institutional reform, which are not expected to have any environmental and social safeguards aspects. On the other hand, the proposed Grant will finance the construction of new classrooms and the rehabilitation, reconstruction, or retrofitting of schools to meet school construction norms, which could produce some adverse impacts. Despite the project areas could be in overlap with other donor financing, the subprojects to be financed by the proposed grant will be never in co-financing but will be in parallel financing. The potential sub-project financed should be in compliance with the World Bank safeguard policies triggered by the proposed Grant. Any potential negative impacts will be managed by the safeguard tools developed below. Such negative impacts would be minor and manageable with a minimum of effort, and they pose a relatively low risk of involuntary resettlement or land acquisition. No large-scale, significant, or irreversible negative impact is foreseen to be induced by project activities. Two safeguards policies are triggered: OP/BP 4.01 (Environmental Assessment) and OP/BP 4.12 (Involuntary Resettlement). Even so, to ensure due diligence, to avoid causing any harm, and to ensure consistent treatment of social and environmental issues by all donors and the Government of Madagascar, an Environmental and Social Screening Assessment Framework (ESSAF) was developed (see Annex 9), since the project is processed as an emergency project under Bank operational policy OP 8.00. Mainly in relation to subcomponent 2.4, “School infrastructure improvement,” two safeguards instruments—an Environmental and Social Management Framework (ESMF) and a Resettlement Policy Framework (RPF)—will be prepared, discussed in consultations with the local population in the project areas, and disclosed in country and at the Bank’s InfoShop. These actions constitute a disbursement condition for this subcomponent. The frameworks will serve to manage potential environmental and social impacts of the activities. The elaboration of both documents (ESMF and RPF) will ensure the compliance of safeguard management with national sectoral and environmental laws as required by the ESSAF. More details on the environmental and social specific mitigation measures will be developed to reinforce inclusion of environmental and social dimensions in the project implementation. The relevant annexes in the ESSAF will be included and further detailed in the ESMF to ensure a good understanding and smooth implementation of subprojects. This approach will facilitate sub-project implementation by the PUI in line with the Bank’s safeguards policies. The framework document will include the environmental and social manual in the annex.

54. The implementing agency will agree to apply the minimum standards proposed in the ESSAF during implementation. These minimum standards include: inclusion of standard

Environmental Codes of Practice in the rehabilitation, improvement, and reconstruction bid documents of all subprojects; review and oversight of any major reconstruction works by civil engineers; implementation of environmentally and socially sound options for disposal of debris or drain spoils; and provisions for adequate and satisfactory budget and institutional arrangements for monitoring effective implementation. The required Environmental and Social Impact Assessment (ESIA), which includes an Environmental and Social Management Plan (ESMP), will be undertaken during project implementation in parallel with subproject technical feasibility studies. The need for involuntary resettlement or land acquisition in specific subproject areas will become known only during project implementation, when site-specific plans are available. Therefore subprojects will be screened for applicability of the resettlement policy, and any subprojects involving involuntary resettlement or land acquisition will be approved only after preparation of a resettlement plan acceptable to the Bank.

Social Accountability and Governance

55. Governance continues to be a challenge in Madagascar, with the political crisis deepening existing issues. For this reason, several measures related to governance and social accountability at the community level are embedded into the proposed operation (in particular, sub-component 3.2) to ensure that services reach their intended beneficiaries. The measures include the following project approach and activities, among others: (i) a focus on direct support to the community level (the ultimate beneficiaries) through, for example, school grants to community-managed school committees; (ii) activities to strengthen the capacity of key local and community structures—for example, capacity building related to social accountability tools such as school report cards, or training for school management committees to manage school grants; (iii) contracting an external verification firm to verify reported data on a periodic basis; and (iv) collaborating with the World Bank–financed Governance and Institutional Development Project in implementing social accountability mechanisms at the community and school levels, including mechanisms for budget transparency. Most of the proposed activities build upon and further strengthen past or ongoing experiences, mechanisms and readily available tools, which will facilitate a relatively swift implementation of these activities. For example, school report cards and related training were developed in 2006 as part of a WB-supported initiative and impact evaluation of improving education management,¹⁵ and can be adapted relatively quickly.

Institutional

56. In view of the emergency nature of the project and the fragile country context, the most effective approach was to base the proposed implementation arrangements on existing, well-performing structures and mechanisms to ensure speedy implementation, provide tangible benefits quickly to communities, and minimize risk. The PIU currently manages an IDA-funded Project and is being considered by other donors as a potential PIU for future support. WFP will implement part of the school feeding activities through subsidiary

¹⁵ Banque mondiale, 2010, Améliorer la gestion de l'enseignement primaire à Madagascar – résultats d'une expérimentation randomisée, Document de travail de la Banque mondiale No. 197, Le Développement Humain en Afrique.

agreement. Furthermore, the project's implementation arrangements focus on supporting communities as directly as possible and on reinforcing community capacity, an approach based on best practice (recommended, for example, in the 2011 World Development Report). Concerning the other donors, UNICEF will implement the US\$ 15 million EU grant for 2013. The EU's three-year project in five regions will be implemented by an independent consulting firm. Norway channels its funding through UNICEF, the ILO, and WFP.

Exceptions to Bank Policies

There are no exceptions to Bank Policies.

E. Implementation Arrangements and Financing Plan

Implementation Arrangements

Overall Sector Coordination Framework and Mechanisms

57. **Overall sector coordination:** Strong donor coordination through the Local Education Group, which meets regularly, and joint reviews will ensure that the implementation of each donor intervention is consistent with the Interim Sector Plan. The basis for developing the IESP, a three-year program implemented by the Ministry of Education, was a sound sector diagnostic, a financial simulation model, and consultations with key stakeholders, including civil society, beneficiaries, and representatives of various education providers. The IESP was endorsed by the Local Education Group in February 2013.
58. **Steering Committee on Education for All (SCEFA, Comité de pilotage de l'Education Pour Tous):** SCEFA has been in place since 2005 and is chaired by the Secretary General of the MEN or designate, with representation by the key stakeholders and entities, such as the Director of Planning, Director of Human Resources, Director of Basic Education, Director of Information Technology and Communications, Coordinator of UAT-EPT, and a CISCO representative. The SCEFA is being extended to include representatives from Civil Society Organizations. Its role is to provide overall policy guidance and oversight of the implementation of the sector plan. Specifically, it is responsible for (i) prioritizing strategic decisions; (ii) validating the action plan; (iii) coordinating the sector dialogue with the line ministries; (iv) mobilizing resources and monitoring their use; and (v) assessing IESP achievements.
59. **Local Education Group:** The structures for donor, NGO, and government coordination in the education and training sector are well established and have been in place for about 12 years. They provide an effective mechanism to coordinate technical and financial support. Collaboration takes place through the Local Education Group, led by the government, with UNICEF as coordinating agency. The composition and Terms of Reference were revised in June 2012 to include representatives of CSOs and clarify the roles and responsibilities of participants. This group meets on a regular basis, shares information, performs joint supervision missions, and coordinates their sector interventions. The collaborative process of developing the IESP and the support to the preparation of the proposed operation has contributed to strengthening the dialogue among the members. Throughout project

preparation, the World Bank team has been consulting and collaborating very closely with the LEG to ensure that project activities are complementary to other existing or planned donor projects.

60. **Within the Local Education Group, UNICEF fulfills the role of Coordinating Agency (CA) and the World Bank that of Supervising Entity (SE) for the purposes of the GPEF.** As CA, UNICEF takes the lead in coordinating annual joint sector reviews to monitor the implementation of the IESP and ensures the timely commitment and disbursement of funds. The CA also reports on progress in the IESP implementation, including funding commitments and disbursements of all partners on an annual basis. The CA serves as the primary communication link between the MEN, LEG and the GPE. As SE, the World Bank has been supporting the preparation of the GPE application in collaboration with the GoM. The SE assumes full fiduciary oversight over the GPEF Grant and supervises its implementation by the GoM.

Proposed Project Implementation Arrangements

61. **Project Implementation Unit:** Given the emergency nature of the project and the country context, the government and partners agreed that the best strategy for project implementation would be through a well-functioning, existing PIU, except for part of the school feeding activities, which will be implemented by WFP. The project will thus be coordinated and supervised by UAT-EPT, which will be under the supervision of and report to the Secretary General of the Ministry of Education. In implementing project activities, the UAT-EPT will collaborate closely with the relevant technical departments of the MEN at the central and regional levels for all technical aspects, as well as the partners. The close collaboration between the UAT-EPT and the technical departments of the Ministry of Education and its deconcentrated structures includes the identification of beneficiaries, implementation, monitoring and follow-up, and reporting. The UAT-EPT will be responsible for day-to-day project implementation and monitoring of the three components, including all fiduciary aspects, monitoring and evaluation, and safeguards.
62. **The UAT-EPT has been in place since 2002 and has a good track record in implementing education projects.** Between 2002 and 2005, it was responsible for implementing the IDA-financed CRESED Project,¹⁶ closed in 2005, and more recently has been responsible for the implementation of the Multi-Donor Trust Fund for the Education For All Initiative (EFA-FTI, now GPE), for which the Bank was the supervising entity prior to the crisis in 2009. UAT-EPT also implemented some activities of the previous GPE managed by UNICEF, including key activities that this operation proposes to finance. The PIU is also the implementing agency for the education component of the IDA-financed MESEHN.
63. **The acquisition and distribution of school kits under sub-component 1.2 will be implemented by UNICEF as service provider under a delegated management contract.** UNICEF is a signatory of the Fiduciary Principles Accord (FPA) between the World Bank

¹⁶ Education Sector Reinforcement Credit.

and UN entities, according to which it may implement OP 8.00 Project activities financed by the Bank in accordance with its own fiduciary policies.¹⁷

64.

65. **School feeding activities under sub-component 2.3 will be partly implemented by WFP as *implementing entity* under a *subsidiary agreement*** (for more details, see Annexes 5–7), at least for the first year of the school feeding intervention. WFP has extensive experience in implementing school feeding activities in the three targeted regions, and similar agreements with WFP are in place in Mauritania and Côte d’Ivoire for school feeding interventions. WFP also is a signatory of the Fiduciary Principles Accord (FPA) between the World Bank and UN entities, according to which it may implement OP 8.00 Project activities financed by the Bank in accordance with its own fiduciary policies.¹⁸

66. **This proposed institutional set-up is considered the most appropriate for ensuring effective management and implementation of the proposed operation and has been discussed with and agreed by the government and the partners** (see Annex 7 for more detailed implementation arrangements, including the implementation of the various project components and activities).

¹⁷ Recipient and donors confirmed UNICEF implementation under the Fiduciary Principles Accord.

¹⁸ Recipient and donors confirmed WFP implementation under the Fiduciary Principles Accord.

Project Financing by Component

Category	Amount of the Grant Allocated (in US\$ m)
Component 1: Facilitating access to and retention in primary education by reducing the costs of schooling borne by families	37.2
Subcomponent 1.1: Subsidies to community teacher salaries	22.3
Subcomponent 1.2: Provision of school kits	14.9
Component 2: Supporting the learning process by improving the teaching and learning environment	35.9
Subcomponent 2.1: Community teacher training in key basic competencies	9.6
Subcomponent 2.2: Top-up to school grants	14.3
Subcomponent 2.3: School feeding activities	7.0
Subcomponent 2.4: School infrastructure improvement	5.0
Component 3: Strengthening the foundations of the primary education system by rebuilding stakeholders' capacity and improving community participation and transparency	8.3
Subcomponent 3.1: Institutional strengthening	2.0
Subcomponent 3.2: Capacity building for communities	2.0
Subcomponent 3.3: Project management, monitoring, and evaluation	4.3
Unallocated	4.0
Total Amount	85.4

Fiduciary

67. **Financial Management** functions will continue to be undertaken by the PIU, UAT-EPT, which also manages component 1 (education) of the IDA multi-sector financing. The PIU will prepare the annual budget for the project components, which will be approved by the Steering Committee for Education for All (SCEFA, Comité de pilotage de l'éducation pour tous). The existing accounting software will be used as a basis for maintaining accounting records and generating financial reports. The PIU will also amend its existing Financial Management Procedure Manual to meet the requirements of this project. The internal audit department will prepare quarterly reports for submission to the SCEFA. An independent external audit firm will be retained to carry out the annual external audit of the project. Given that some of the project funds will be channeled to qualifying UN agencies (WFP) for the execution of specific eligible activities, the financial management arrangements will be governed by the Fiduciary Principles Accord signed between the Bank and the UN agencies concerned.
68. **Procurement** will be carried out in accordance with the World Bank's "Guidelines: Procurement of Goods, Works, and Non-consulting Services under IBRD Loans and IDA Credits and Grants by World Bank Borrowers," published by the Bank in January 2011 and "Guidelines: Selection and Employment of Consultants under IBRD Loans and IDA Credits and Grants by World Bank Borrowers," published by the Bank in January 2011, and in accordance with provisions stipulated in the Legal Agreement. Competitive selection of NGOs will be based on quality and cost selection, and contracts will be signed with the selected NGOs. The procurement section of the Project Implementation Manual will be reviewed to ensure compliance with applicable Guidelines. "Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants," dated October 15, 2006 and revised in January 2011, will apply. WFP will comply with its own fiduciary requirements (including Anticorruption Guidelines and Audits) on the basis of the Fiduciary Principles Accord signed between the Bank and selected UN agencies. A Simplified Procurement Plan was prepared and approved by the Bank (Annex 6). The plan will be updated at least annually to reflect the most current circumstances.
69. **Disbursement Arrangements:** Upon effectiveness of the proposed project, transaction-based disbursements¹⁹ will be used (as is the case for IDA-financed projects under implementation in the Madagascar portfolio). A new Designated Account denominated in US dollars on terms and conditions acceptable to IDA will be created for the implementing agency (UAT-EPT) of the proposed project. The ceiling of the account will be US\$ X million. This ceiling is set based on expected disbursements for key activities and will be included in the Disbursement Letter, to avoid issues related to payment delays. To expedite implementation, the proposed operation will have retroactive financing in the amount of US\$ 8 million for project activities included in the project description and incurred on or after August 1, 2013

¹⁹ Transaction-based disbursement means that the project is required to submit a Statement of Expenditure that shows expenditures incurred through the Designated Account. This Statement serves as a basis for reimbursement and reporting on the use of any funds advanced to the project.

(that is, after Regional Vice President, RVP, Approval) approval). Payments will be for items procured in accordance with applicable Bank procurement procedures.

Readiness for Implementation

70. The project is expected to be ready for implementation upon effectiveness. The PIU, UAT-EPT is already staffed and operational, with a project coordinator as well as fiduciary, technical, M&E and other key technical staff in place and supporting the IDA-financed Emergency Support to Critical Education, Health, and Nutrition Services Project. The Terms of Reference for the staff will be amended to include the proposed Project, and recruitment of any additional staff necessary is expected to be completed between the GPE submission date and effectiveness. The PIU also already has a Project Implementation Manual, which is being reviewed and updated as part of the IDA project and will be revised to include the GPE activities. Once the GPE Board approves the Grant, bidding documents will be prepared to permit the implementation of critical interventions on the ground as soon as the project is effective.

Implementation Support Plan

71. **Given the current fragile country context and emergency design of the project, intensified support will be essential to ensure that the project is implemented successfully.** In addition to the task team leader, an experienced technical Bank education specialist is based in country and will provide day-to-day implementation support for the project. The in-country education specialist will carry out bimonthly field visits with the PIU to ensure implementation progress and troubleshoot any issues early on. A strong fiduciary and safeguards team, both in headquarters and in country, will also provide continuous support. During the first six months of implementation, the project will benefit from the expertise of technical and institutional consultants who have worked on the project preparation team and have considerable experience in fragile states. Their participation will facilitate project effectiveness, timely compliance with dated legal covenants, and a timely launch of project activities. In addition, focused M&E support will be provided. Formal supervision missions will be undertaken jointly with the Local Education Group during the biannual joint reviews to ensure maximum synergies and resource efficiency. A detailed and costed Implementation Support Plan will be developed and will continue to be updated throughout the start-up of the project and as needed during implementation.

Project Timeline

72. **The project will be implemented over a three-year period from 2013 to 2016.** The project is expected to be effective on October 1, 2013 and will close on May 1, 2017.

F. Key Risks and Mitigating Measures

Risk Rating Summary

Risk	Rating	Risk	Rating
Project Stakeholder Risks		Project Risk	
- Stakeholder Risk	Substantial	- Design	Moderate
Operating Environment Risk		- Social and Environmental	Low
- Sector	High	- Program and Donor	Substantial
		- Delivery Monitoring and Sustainability	Substantial
Implementing Agency (IA) Risks (including Fiduciary Risks)			
- Capacity	Moderate		
- Governance	Substantial		

73. **The implementation risk of the proposed operation is substantial.** The following risks are rated high or substantial.

74. **Country and governance risks.** Madagascar is undergoing a prolonged political and economic crisis. The likelihood of unrest or a major breakdown of law and order at election time is significant and could be protracted, especially if the outcome of the election is disputed. This situation could delay implementation and considerably impact project performance. The ability to mitigate this risk is limited, but close monitoring of the political, economic, and fiscal situation will be continued and will help with mitigation. Mitigation measures for country fiduciary risks consist of: (i) continued attention and dialogue related to public financial management among IDA, other donors, and technical representatives of the government on these issues and (ii) close supervision of fiduciary issues and strengthening of systems, controls, and audits.

75. **In the current political context, the overall risk of political interference in project approach, staff, and implementation may be heightened.** The following five measures are in place to mitigate this risk. First, project activities were chosen based on the key priorities of the IESP. Second, the regions of intervention and beneficiaries have been selected based on complementarity with other donor support. Third, the project covers all public primary schools and thus students in the targeted regions, thereby limiting the risk of inequities in service delivery within regions. Fourth, the project is implemented through an existing PIU, which has managed to maintain a high degree of independence throughout the crisis and has a good track record in implementing IDA-financed projects and other development partner projects. Fifth, IDA resources will flow directly to the PIU into the designated account, which is outside the government's financial management system. At the activity level, the following measures will contribute to mitigating related risks: (i) strong involvement of direct beneficiaries in the project activities through existing social accountability structures at the community level, such as school management committees; (ii) existing grievance mechanisms through the local and regional administrative structures, among others; and (iii)

capacity-strengthening activities in communities to enhance governance, such as school report cards and training in the teacher accountability process.

76. **Project stakeholder risk.** Particular stakeholder risks consist of potentially weakened leadership and ownership due to the political crisis, as well as limited possibilities for active donor–government policy dialogue and donor funding. Proposed measures to mitigate these risks include: (i) continuing the sector dialogue with the government and external partners as part of the IESP implementation and preparation of a long-term sector plan; (ii) including accountability and governance mechanisms at the local level during the implementation of the project; and (iii) using regional administrative structures for supervision and monitoring to strengthen ownership, enhance sustainability, and avoid parallel systems.
77. **Sector risk.** The main potential risks that could negatively affect project implementation and performance are related to the limited fiscal space, government ownership, and personnel and/or policy changes. These risks are alleviated through the project design and implementation arrangements, which do not seek to substitute for government interventions and systems but to complement and strengthen them. The risks are also alleviated through continued sector dialogue with the government and the other partners. Finally, a specific dated covenant is in place to ensure that the proposed operation achieves its impact.

G. Terms and Conditions for Project Financing

78. **The project is proposed for financing under a GPEF Grant.** The instrument will be an Emergency Recovery Grant.

Conditions of Effectiveness

TBD (if any)

Dated Covenants

1. Recruitment of external auditors (six months after effectiveness).
2. Recruitment of two new accountants (three months after effectiveness).
3. Recruitment of one additional Internal Auditor (three months after effectiveness).

Financial Management Standard Covenants

- (a) Interim Unaudited Financial Reports (IFRs) will be prepared on a quarterly basis and submitted to the World Bank 45 days after each quarter.
- (b) An annual detailed work program and budget, including disbursement forecasts, will be prepared each year by November 30.
- (c) The overall FM system will be maintained operational during the project’s entire life in accordance with sound accounting practices.

Annex 1: Detailed Description of Project Components

MG–EMERGENCY SUPPORT TO EDUCATION FOR ALL PROJECT (P132616)

Component 1: Facilitating access to and retention in primary education by reducing the costs of schooling borne by families (US\$ 37.2 million).

1. **This component, which complements interventions by other donors and fills a gap identified in the IESP,²⁰ addresses demand-side constraints in access to schooling by reducing the costs of education to families.** It supports two activities: (i) subsidies to community teacher salaries and (ii) the provision of school kits to public schools. By reducing the out-of-pocket costs of schooling for households, which finance 19 percent of total primary education expenditures and have become increasingly unable to afford these financial contributions, this component is expected to mitigate the abrupt decline in enrolment observed since 2010.

Subcomponent 1.1: Subsidies to community teacher salaries (US\$ 22.3 million)

2. **To cope with rapidly increasing enrolment in primary education, which grew from 2.4 million in 2001 to 4.31 million in 2010, the government decided in 2002 to subsidize the payment of community (non-civil-servant) teachers, who were hired locally (and originally financed) by parents' associations.** Since then, the number of community teachers has grown rapidly, rising from 31,512 in 2006 to 55,686 in 2010. Massive recruitment of community teachers and government support for their salaries enabled the total primary teaching force to expand significantly (from 49,410 persons in 2000 to 81,791 in 2010) at a lower cost (than civil servants). It enabled Madagascar to eliminate school fees, implement its policy of free primary education, and thus reduce the direct costs of education to families. This expansion of the teaching force was a critical success factor in improving access to education over the past decade from a Net Enrolment Ratio (NER) of 70 percent in 2001 to 89 percent in 2008. By 2010, about 67 percent of all public primary school teachers were community teachers.
3. **The subsidy has been financed through two sources of funding: the domestic education budget and external donor contributions.** The crisis and ensuing financing gaps have made it challenging for the government to continue paying community teacher salaries on a timely, and regular basis, and parents have increasingly had to cover this shortfall in public resources. In 2010, the largest share of private primary spending went to informal school fees, (42 percent) which to a large extent finance community teachers in public schools. To alleviate the costs to families, ensure continued service delivery at the school level, and protect the future sustainability of community teacher salaries and the government's commitment to paying them, donors have helped to pay those salaries for a limited number of months during the year, while the government has paid for the remaining months. Such donor

²⁰ Axis 1 on Improving Access and Retention to Education.

support includes contributions from the GPE (through the previous grant implemented by UNICEF)²¹ as well as the EU and IDA (through the Emergency Support to Critical Education, Health, and Nutrition Services Project).

4. **In line with this approach and in coordination with the external partners and the government, the proposed project will fund:** (i) payment of four months of salaries of about 23,798 community (non-civil-servant) teachers currently subsidized by the government in 12 targeted regions not covered by other donors (the government will pay the remaining eight months of the calendar year for these regions);²² (ii) contributions to the national social security administration (Caisse Nationale de Prévoyance Sociale, CNaPS) for those same teachers for the period of funding; (iii) associated financial transfer costs and banking charges of the service providers used (post office, microfinance institutions, and regular commercial banks); and (iv) supervision and data collection by regional and local administrative structures (including small equipment such as office supplies, communication costs, and other items). In addition, parents' associations will be trained to manage the grants and ensure accountability of the teacher verification process. Third-party verification by NGOs in a sample of schools will also be undertaken (to be financed under subcomponent 3).

Subcomponent 1.2: Provision of school kits (US\$ 14.9 million)

5. **This subcomponent will finance the provision of school kits containing basic essential school supplies for primary school students in public schools in 12 regions (a total of approximately 1,816,560 students).** In 2003, the provision of school kits became part of the package of measures instituted by the government as part of its national policy for free primary education. The crisis and resulting budget constraints caused the free provision of kits to be discontinued, thus transferring the financial burden to parents. School supplies represented 35 percent of total household education expenditures in 2010. To alleviate these costs on families, donors, including the GPE (implemented by UNICEF) and Norway, have contributed to the provision of school kits to all primary students since 2010. The EU is expected to support the provision of kits in all regions in 2013. For 2014 and onward, this subcomponent will support the provision of school kits in twelve regions to reduce the financial burden on households—a key features of pillar 1 of the IESP. The kits will include items such as a backpack/bag, writing utensils, notebooks, rulers, protractors, and writing tablets, among others.
6. **More specifically, this subcomponent will finance** (i) the procurement and delivery of kits to schools as well as (ii) a supervision mechanism by the PIU and the deconcentrated entities of the MEN to ensure timely and efficient delivery to the intended beneficiaries.
7. **The total number of beneficiaries for Component 1 is approximately 1,816,560 children and 23,798 community teachers in about 11,092 primary schools in the 12 targeted regions.**

²¹ The previous EFA-FTI/GPE grant closed on December 31, 2012.

²² Disbursement during the first quarter is always difficult for the government owing to limited fiscal revenue.

Component 2: Supporting the learning process by improving the teaching and learning environment (US\$ 35.9 million).

8. **This component will help create a more conducive schooling environment by supporting key supply-side aspects of education service delivery that can be improved over the short term.** This component supports the following four activities: (i) community teacher training in key basic competencies, (ii) top-up to the school grants provided to public primary schools by the government (called *caisse école*) used to finance operational expenses and the acquisition of basic learning supplies and fund activities of the school annual expenditure program and annual school action plan, (iii) school feeding activities, and (iv) school infrastructure improvement (classroom rehabilitation and construction) in selected areas.

Subcomponent 2.1: Reinforced teacher training (US\$ 9.6 million)

9. **Using a phased implementation approach, this subcomponent will finance:** (i) a diagnostic of the teacher training system to further define subsector training needs and determine the most relevant modalities to deliver in-service training to community teachers; (ii) a modular in-service training and support program benefitting 10,000 community teachers in 12 regions, to strengthen basic core competencies in content areas—including French, Malagasy, and mathematics—as well as in pedagogical approaches; and (iii) short- to medium-term measures to strengthen the content and efficiency of supervision and pedagogic support mechanisms. Specifically, as part of developing an in-service teacher support mechanism, approximately 8,000 local-level actors, including school directors, sub-district officers (chefs ZAP), inspectors, and pedagogic advisors at the CISCO level, will be trained and provided with pedagogical and management tools to supervise and provide guidance to the newly trained teachers. This training of the entire pedagogical and supervision chain, down to the school director level, is meant to ensure that continuous support is provided within the schools once community teachers complete the training.
10. **Given the complexity and heterogeneity of teacher training, the phased approach is considered the most appropriate in this context and will provide a sound foundation for the training activities financed under the project.** Specifically, the teacher training will be implemented three phases. During phase 1, a comprehensive diagnostic will be undertaken to identify the specific needs of the various teacher training system actors and define, in consultation with all stakeholders, the exact content and delivery mechanisms for a limited set of in-service modules that will be carried out. Approximately 300 master trainers will be trained in phase 1. During phase 2, core basic training activities defined through the diagnostic findings will be piloted. During phase 3, piloted activities, once evaluated, will be improved upon and scaled up, if and where appropriate. Although most of these activities were costed during preparation, the unit cost of training might change slightly depending on the exact design of the training programs (including the delivery mechanisms, which can influence the total costs). The contingency funds under Component 4 may be used if unit costs prove higher than envisaged during preparation.

11. **This subcomponent will finance:** (i) *consulting services/technical assistance* for further defining training needs, the elaboration of teaching modules for intensive training sessions for community teachers, and the selection of teachers, as well as the evaluation and revision of training modules, if required; (ii) *goods*, specifically material and equipment for training; and (iii) *training* for teachers, school directors, and local administrative structures.

Subcomponent 2.2: Top-up to school grants (US\$ 14.4 million)

12. **This subcomponent will contribute to the payment of annual grants to all public primary schools in 12 regions.** The Ministry of Education has been providing annual school grants to public primary school-based management committees since 2002.²³ The grants helped to reduce parental contributions and to improve the learning environment by giving schools operational funds for classroom supplies and school maintenance. Since the crisis, the government has been struggling to continue paying the school grants regularly and on time. It was forced to reduce the amount of the school grant by more than two-thirds, from MGA 3,000 (approximately US\$ 1.50) per student in 2008 to MGA 800 (about US\$ 0.40) in 2010, MGA 900 (about US\$ 0.45) in 2011,²⁴ and MGA 2,000 (US\$ 1.0) in 2012. In 2009, no school grants were paid at all. The government's severely constrained ability to finance school grants not only increased families' financial burden but severely impeded ability of schools to adequately equip classrooms to receive students in a favorable learning environment.
13. **This subcomponent will be implemented in close coordination with existing school grant contributions, including contributions from the government and other donors (namely IDA through the Emergency Support to Critical Education, Health, and Nutrition Services Project, which provides school grants in five regions).** In the 12 regions targeted by the proposed project, the Ministry of Education plans to continue paying the current school grant amount, (expected to be MGA 3,000 per capita, or about US\$ 1.50 in the 2013–14 school year), which the project will supplement through grants to the approximately 11,092 school management committees in the targeted regions. The purpose of these grants is to: (i) provide schools with small annual funds for operational expenses for the maintenance of facilities and acquisition of basic learning supplies (such as chalk, notebooks etc.); and (ii) fund activities from the annual school action plan. The grant amount is allocated to schools based on school size (number of pupils). The average supplemental grant amount funded by the subcomponent is US\$ 200 per school for small schools, US\$ 250 per school for medium-sized schools, and US\$ 300 per school for large schools.
14. **This subcomponent will finance:** (i) payment of grants for all public primary schools through financial institutions; (ii) fund transfer and banking charges for financial service providers; (iii) supervision and data collection by regional and local administrative structures; (iv) training provided to school-based management committees school

²³ In the first year, 2002, school grants were funded equally by the Bank-financed education project (CRESED) and resources from Heavily Indebted Poor Countries debt relief. Since 2004, the grants have been funded primarily as part of the government's recurrent budget, supplemented by the multi-donor GPEF (since 2009).

²⁴ Before, the amount was lower for private schools (MGA 2,000).

management committee for management of the grants; and (v) third-party verification by NGOs in a sample of schools.

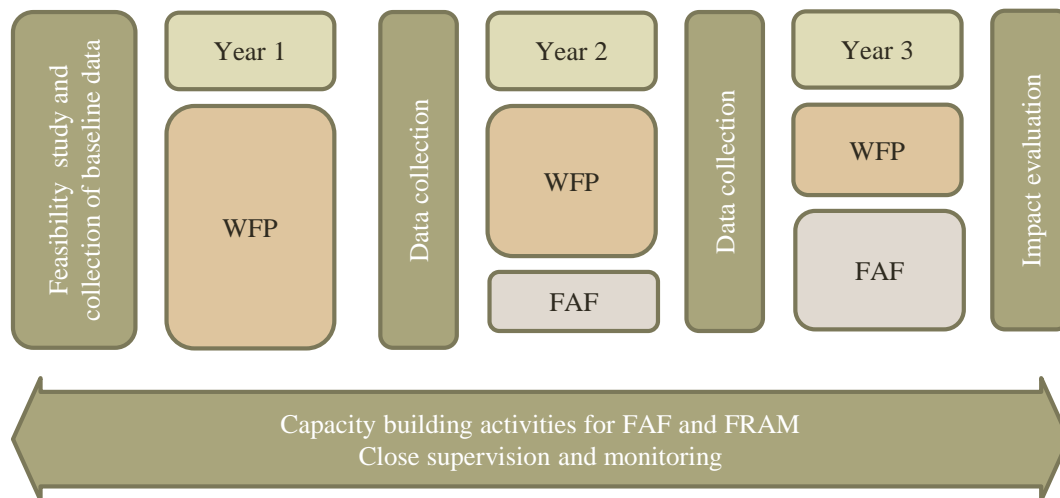
Subcomponent 2.3: School feeding activities (US\$ 7 million)

15. **The primary objective of this subcomponent is to help approximately 83,065 public primary school children in three regions (the most severely food-insecure regions on the government’s food security map) become more able and available to learn by alleviating short-term hunger and reducing school absenteeism.** In two districts in the targeted areas, an analysis revealed that roughly one-quarter of children in the representative sample has a low BMI for their age group, an indicator of thinness likely brought about by recent lack of food, and 7.3 percent are severely thin. Short-term hunger means that these children have difficulty concentrating in the classroom and an impaired ability to absorb learning material. To address these issues, the government has been providing different school feeding interventions. Several donors have also financed school feeding activities, including previous Grants from the GPEF, WFP, and more recently the EU. There will be a gap in financing for school feeding activities starting in 2014, however. In line with the government’s draft National School Feeding, Nutrition, and Health Program (2012–15), this subcomponent will finance the provision of a daily meal during the school day to children in schools in the three selected vulnerable regions, to improve student attendance, attention, and readiness to learn. This subcomponent is also expected to have an additional positive impact on retention in school in the targeted areas.²⁵
16. **To strengthen the sustainability of school feeding interventions, the project will adopt an approach combining implementation by the WFP and school communities.** The project will finance a decreasing share of activities implemented by WFP, which will gradually be limited to areas that are particularly difficult to access, either because they are remote or insecure. In parallel, a program of school canteens managed by communities through the school management committees (FAF) will be piloted and scaled up if successful. Community-based school canteens will be funded by a top up to the grants allocated to school committees. The committees will be responsible for ensuring that the meals provided to children comply with the norms and regulations set forth by the Ministry of Education. A feasibility study will be carried out prior to starting the activities to detail further key aspects of the pilot, including: (i) the areas where community-based school canteens will be piloted; (ii) the content and mode of delivery of capacity-building activities for FAF and parents’ associations (FRAM); and (iii) the design of the evaluation tools, including the collection of baseline data. The community-based school canteen pilot is built upon similar previous experiences in Madagascar, as well as ongoing programs in other countries, such as Benin, Togo, as well as Peru, where WFP especially has good experiences with community school canteens. Close supervision will be maintained during

²⁵ A series of studies (mostly randomized controlled trials) from other countries found that in-school feeding programs had a significant, positive impact, improving attendance and reducing dropouts, in: Bundy, Burbano, Grosh, 2009, Rethinking School Feeding: Social Safety Nets, Child Development and the Education Sector, Directions in Human Development, World Bank, Washington, p.22.

implementation to ensure that the funds are used for the intended purpose and that communities are provided with adequate support to help them manage the school canteens.

Combined Approach for Implementing School Feeding Activities through the World Food Programme (WFP) and Parents' Associations (FAF)



17. **This subcomponent will finance:** (i) consulting services for a feasibility study; (ii) acquisition and distribution of food to targeted schools using the WFP mechanism under a subsidiary agreement; (iii) training FAF and FRAM to manage community-based school canteens, (iv) top up to school grants for canteen activities in pilot schools; and (v) designing evaluation tools.

Subcomponent 2.4: School infrastructure improvement (US\$ 5 million)

18. **The objective of this subcomponent is to finance the construction of about 200 classrooms in selected public primary schools in 12 regions.** The pupil–classroom ratio has improved from 58 in 2006 to 47 in 2010, yet 13 percent of the classrooms are still provisional. Related infrastructure such as latrines and water points are lacking (there is one latrine for every 1,900 students, and only 26 percent of schools have a water point), as well as school furniture (only 40 percent of pupils have standard seating). In addition, at least three cyclones hit Madagascar every year, ravaging 2,000 classrooms on average per cyclone. The low construction standards for community buildings make them especially vulnerable to damage. Owing to the Ministry of Education’s limited ability to invest in construction and rehabilitation since the crisis, the number of school structures in poor condition has been rising from year to year.

19. **This subcomponent will support:** (i) the construction of classrooms in targeted vulnerable regions, especially in schools needing additional classrooms to meet local demand and in municipalities/villages (*fokotany*) without schools, and (ii) the rehabilitation, reconstruction, or retrofitting of existing schools to meet school construction norms. Construction activities will be completed in accordance with the Madagascar School Construction Strategy

developed by MEN in 2008. Furthermore, establishment of the new classrooms will be linked to a government plan for the allocation of teachers in those classrooms, in accordance with the MEN's existing school mapping criteria. The subcomponent will finance the construction of 200 classrooms with furniture, adequate latrines, and water access in targeted schools. The individual facility package for each school will comprise a 2-classroom block, 2 latrine blocks (one for each gender), and a water point when the school is not yet equipped. The IESP envisages a "community empowerment" approach, which proved the best-performing approach in 2007–08, and incorporates findings from the evaluation carried out in 2009 by the UAT-EPT. The community empowerment approach would be aligned with the MEN's 2007–15 Construction Strategy, which all partners support. It has already been successfully tested, evaluated, and recognized as the most cost-effective and feasible in the current context. In addition, it constitutes appropriate support by the MEN to communities whose involvement was significantly increased during the crisis and would reinforce community ownership of schools. Participating communities will be targeted on the basis of specific and transparent criteria.

20. **This subcomponent will thus finance:** (i) grants to communities for works, equipment (such as furniture), and other eligible operational costs to cover community expenses to manage the grant; (ii) management fees for implementing/fiduciary agencies (trustees such as NGOs), consulting services for site supervision, and evaluations; and (iii) operational costs for monitoring and supervision of the PIU.
21. **The total number of beneficiaries for Component 2 is approximately** 1,923,963, which include 23,798 community teachers and 1,900,165 children currently enrolled in the primary schools in the 15 regions.

Component 3: Strengthening the foundations of the primary education system by rebuilding stakeholders' capacity and improving community participation and transparency (US\$ 8.3 million)

22. **In line with pillar 3 of the IESP, institutional strengthening, this component will contribute to building the resilience of the primary education system by ensuring that the various stakeholders (institutional stakeholders, such as the Ministry of Education, as well as communities) are in a position to better respond to the medium- and long-term challenges of the sector once the political crisis is resolved.** About 4,000 beneficiaries and approximately 600 school committees will benefit from support for the following three activities: (i) strengthening institutional capacity, in particular the planning and monitoring functions of the Ministry of Education, to ensure that the system has the capacity to rebound once the political crisis is resolved; (ii) building capacity of local communities to manage their schools, enhance accountability, and monitor education performance; and (iii) project management, supervision, monitoring and evaluation.

Subcomponent 3.1: Institutional strengthening (US\$ 2.0 million)

23. **This subcomponent will finance activities to reinforce the capacity of the MEN, especially the Planning Division, to formulate and monitor the implementation of**

education policies at the central and deconcentrated levels. An important objective of this subcomponent will be to strengthen the analytical basis for the sector and for preparation of a long-term Education Sector Plan. The following activities are planned:

24. ***Strengthen planning capacity:*** Sector studies will be financed to generate updated analytical data and contribute to the preparation of the Madagascar Education Sector Plan (ESP). Activities to be financed include: (i) technical assistance to prepare the new Education Sector Plan; (ii) national- and regional-level consultations to ensure broad buy-in for the proposed sector plan; and (iii) finalization of existing sector analyses, namely updating the Country Status Report, as well as additional analysis, including (a) teacher management, status, and training; (b) an evaluation of the education system reform pilot undertaken in 20 CISCOS; (c) constraints to transitioning from primary to secondary education, (d) the external efficiency of the education system; and (e) the financing of the sector, among others. The above activities will contribute to the overall objective of developing an ESP based on strong analyses and extensive consultations to enhance stakeholder ownership and commitment.
25. ***Strengthen monitoring capacity:*** This activity will build upon existing support from other donors (namely UNESCO and AFD) to establish an Education Management Information System (EMIS). Specifically, the project will contribute targeted technical assistance to strengthen the EMIS and develop a system for regular learning assessments. Both centrally and among the deconcentrated entities—CISCO and the Regional Directorates of National Education (DRENS)—the subcomponent will also finance training and equipment for the MEN’s Planning Department to strengthen its capacity to plan, monitor, and evaluate education policies. Finally, pilot activities aimed at developing the MEN’s capacity to quickly assess the impact of various shocks (environmental, social, or political) on education outcomes will be supported so the MEN can respond more adequately to external shocks in the future.
26. **Activities** to be financed under this subcomponent include: (i) consulting services for studies, technical assistance, workshops, and communications e.g. to finalize the Country Status Report and prepare the long-term Education Sector Plan; (ii) technical assistance for the establishment of the student learning assessment system; (iii) training of Ministry of Education staff; (iv) equipment and materials to strengthen the EMIS, such as computers and software; and (v) pilot activities aimed at developing the MEN’s capacity to quickly assess the impact of various shocks (environmental, social, or political) on education outcomes.

Subcomponent 3.2: Community participation (US\$ 2 million)

27. **This subcomponent will finance the development and implementation of social accountability tools promoting transparency and participatory management at the school, district, and regional levels in 600 communities in three regions, through the following activities:** (i) school report cards and (ii) participatory budget initiatives. Over the past few years, parents’ contribution to the financing of education has increased significantly, most notably through higher school fees and the hiring of community teachers. Despite this increased financial involvement and the existence of mechanisms (see Box) for parents and communities to influence school management (decision making, planning, and budgeting)—

notably School Management Committees and Parents' Associations—parents' involvement in such areas remain low.

Institutional Framework for School-based Management

The institutional framework for school-based management has been in place for a decade. It constitutes a key strength of the current primary education system and comprises two main entities, the School management committee (FAF) and Parents' Association (FRAM).

The School Management Committee: The FAF's roles and responsibilities include planning and managing per capita grants (*caisse école*) received from the Ministry of Education, which are used to finance capital and recurrent expenditures at the school level. The association also supports teachers as needed and identifies which pupils need financial, nutritional, and healthcare support. The FAF managed the top-up funds provided to the *caisse école* under the previous GPEF Grant. The School management committee has a permanent office, consisting of a president, vice president, treasurer, two auditors, a secretary (the school director), deputy secretary, and three advisors. It is responsible for implementing decisions taken by the General Assembly, which meets three times a year.

The Parents' Association (FRAM): The FRAM's main responsibility is to plan and manage activities financed by the parents according to the school's priorities and needs. The FRAM meets at least once a year in a General Assembly. All FRAM members pay annual fees as determined by the General Assembly based on proposals from the FAF. These fees mainly pay the salaries of community teachers and cover other expenses related to the functioning of the school (furniture, teaching material, electricity bills, and so on). No child can attend school unless its parents are members of the FRAM and pay those fees.

28. **School report cards:** One-page report cards will be developed and generated for a sample of 600 communities at the school, district, and regional levels in three regions. Targeted technical support will be provided at these levels to enhance their capacity to use the EMIS software to generate comparative data and indicators on three broad dimensions—(i) the context (urban/rural, road accessibility, distance to health center, and other variables); (ii) available resources (such as teachers, textbooks, and school grants); and (iii) performance (exam pass rates, dropout rates, repetition rates, parity ratios, and other data)—and make the information available to different management levels in the targeted regions. At the district and regional levels, decision makers will use matrices ranking schools on the three dimensions to identify the best-performing schools (relative to their context) and schools with low efficiency within a given district or region. At the school level, a simplified, user-friendly, one-page school report card will provide communities and school committees with information on their school's performance compared to others. Several regional workshops with local stakeholders will be financed to identify the most suitable indicators to include in the report cards, and technical assistance will be provided to the MEN to develop the new EMIS module and train district officers, FAF, and FRAM to use the report cards. The systematic disclosure of comparative information on key school performance indicators is expected to increase management capacity, participation, and accountability at all levels (central, regional, and local).
29. **Teacher accountability process training for representatives of parents' associations (FRAM) and school directors:** This training activity aims to further enhance the transparency of the community teacher payment process by launching an improved form and

slightly revised process for the bimonthly certification of teacher services rendered at the school level. The changes are as follows: (i) the beneficiary (the teacher) is now involved in the process (currently, the teachers themselves do not sign off on the form or participate in the process in any other way); and (ii) information on the teacher's presence is captured in the form. The half-day training will explain the changes and ensure that the new process is well understood, owned, and implemented correctly.

30. **Financial transparency/management training for school-based management committees (FAF):** This basic, one-day training module on keeping accounts and financial management will be provided to representatives of school development associations to support the effective implementation of the school grants and improve the associations' capacity to manage funds (to prepare expenditure plans and so on). During implementation, this subcomponent will explore whether or how financial management training could be combined with teacher accountability training to keep the need to travel as well as opportunity costs in terms of time as low as possible for local participants.
31. Most of the proposed activities build upon and further strengthen past or ongoing experiences, mechanisms and readily available tools, which will facilitate a relatively swift implementation of these activities. For example, school report cards and related training were developed in 2006 as part of a WB-supported initiative and impact evaluation of improving education management,²⁶ and can be adapted relatively quickly.
32. **This subcomponent provides financing for:** (i) consulting services to develop social accountability, transparency, and participatory management tools (report cards) and strengthen data collection mechanisms; (ii) training and training equipment/materials for regional and local administrative structures and representatives of parents' associations (FRAM) and school directors on the teacher accountability process, and for representatives of school management committees (FAF) on financial management.

Subcomponent 3.3: Project Management and Monitoring and Evaluation (M&E) (US\$ 4.3 million)

33. **This subcomponent will finance:** (i) operational and supervision costs for the UAT-EPT and other relevant entities related to project activities, including M&E activities, such as evaluations;²⁷ (ii) external audits of the project; (iii) communication; (iv) capacity building of PIU and MEN's technical staff; (v) recruitment of consultants; (vi) provision of materials and equipment, including computers, software, and related materials; and (vii) field visits.

²⁶ Banque mondiale, 2010, Améliorer la gestion de l'enseignement primaire à Madagascar – résultats d'une experimentation randomisée, Document de travail de la Banque mondiale No. 197, Le Développement Humaine en Afrique.

²⁷ Financing for M&E will strengthen the system already in place to collect timely data from all levels and use it for decision making and for monitoring the impact of project activities. Periodic evaluations of activities under subcomponents 1.1–3.2 will also be included, reinforced by third-party verification of service delivery to target populations.

Annex 2: Results Framework and Monitoring

MG-EMERGENCY SUPPORT TO EDUCATION FOR ALL PROJECT (P132616)

The project development objective (PDO) is to preserve access to primary education and improve the teaching and learning environment in targeted areas in the recipient's territory.

PDO Level Results Indicators	Core	Unit of Measure	Baseline	Non-Cumulative Target Values			Frequency	Data Source/ Methodology	Responsibility for Data Collection	Description (indicator, definition, etc.)
				Year 1	Year 2	Year 3				
Project Development Indicators										
1. Number of total direct project beneficiaries ²⁸ of which % female	☒	Number, percentage	0	1,889,956 49%	1,914,426 49%	1,935,963 50%	Annual	Project progress report	Technical Support Unit (UAT)	Cumulative (difference increase Y1 to Y3)
2. Students enrolled in primary schools in project ²⁹ areas, including by gender		Number	1,773,609 867,497	1,794,956 877,938	1,805,726 883,206	1,816,560 888,505	Annual	MEN annual school census (EMIS), ³⁰ Project progress report	DPE/MEN ³¹	Non-cumulative
3. Number of classrooms built or rehabilitated at the primary level resulting from project interventions	☒	Number	0	0	100	200	Annual	Project progress report	UAT	Cumulative (difference increase Y1 to Y3)

²⁸ This indicator is a summary indicator and consists of the following: (i) number of students enrolled in primary public schools in the 12 primary project intervention areas plus the number of children from community primary schools benefiting from school kits; (ii) number of students benefitting from school feeding interventions in the 3 targeted regions; (iii) number of community teacher receiving salary subsidy; and (iv) number of school directors, sub-district officers (chefs ZAP), and pedagogic counselor (CPs) trained.

²⁹ Indicator is based on an estimated growth in the school-age population of 0.6%. The project areas refer only to the 12 regions to avoid double-counting the students of the 3 regions benefitting from school feeding interventions under project beneficiaries.

³⁰ Education Management Information System.

³¹ DPE is the Planning Directorate (which includes statistics) in the Ministry of Education.

4. Number of community (FRAM) teachers benefitting from training in key basic competencies provided by the project (disaggregated by gender) ³²	<input checked="" type="checkbox"/>	Number	0	0	7,500	10,000	Annual	Project progress report	UAT	Cumulative
Intermediate Results Indicators (Component 1)										
5. Number of community teachers certified to be in service paid ³³		Number	19,503	21,635	21,635	23,798	Annual	Project progress report	UAT	Non-cumulative
of which % of female		Percentage	49%	49%	49%	50%	Annual	Project progress report	UAT	Non-cumulative
6. Number of school kits distributed		Number	1,784,251 ³⁴	1,794,956	1,805,726	1,816,560	Annual	Project progress report	UAT	Non-cumulative
Intermediate Results Indicators (Component 2)										
7. Number of schools receiving school grants funded by the project		Number	0	11,092	11,092	11,092	Annual	Project progress report	UAT	Non-cumulative
8. Number of children benefitting from school feeding activities ³⁵		Number	0	83,065	83,065	83,065	Annual	Project progress report	UAT	Non-cumulative
Intermediate Results Indicators (Component 3)										
9. Number of parents' associations / school management committees		Number	0	200	400	600	Annual	Project progress report	UAT	Cumulative (difference increase Y1 to

³² This indicator refers to non-civil-servant community teachers who participate in an in-service training program in key basic competencies (including pedagogical as well as subject matter knowledge). After the training, the teachers will benefit through a support system by proximity that will be set up and peer networks.

³³ Every two months, a certification of service for community teachers is issued and signed by the teacher, parents' association, and school director and submitted to the subsequent levels of the administrative chain.

³⁴ School kits distributed during 2012–13.

³⁵ School feeding activities refer to meals or rations provided to students in schools.

trained in social accountability tools ³⁶										Y3)
10. Availability of long-term (5-year) Education Sector Plan		Text	N/A	N/A	Draft	Final and consultations	Annual		DPE/MEN	

GPE / WB Core Indicators – For Tracking Purposes Only (national figures, i.e., including all 22 regions)³⁷										
Primary completion rate	<input checked="" type="checkbox"/>	Percentage	74%	N/A	N/A	N/A	Annual	MEN annual school census (EMIS)	MEN/DPE	Non-cumulative
Gross enrolment rate	<input checked="" type="checkbox"/>	Percentage	147%	N/A	N/A	N/A	Annual	MEN annual school census (EMIS)	MEN/DPE	Non-cumulative
Gross intake rate in grade 1	<input checked="" type="checkbox"/>	Percentage	178%	N/A	N/A	N/A	Annual	MEN annual school census (EMIS)	MEN/DPE	Non-cumulative
Pupil-classroom ratio	<input checked="" type="checkbox"/>	Number	43	N/A	N/A	N/A	Annual	MEN annual school census (EMIS)	MEN/DPE	Non-cumulative
System for learning assessment at the primary level ³⁸	<input checked="" type="checkbox"/>	Text	NO	YES-2	YES-3	YES-3	Annual	MEN	MEN	N/A

³⁶ Social accountability tools include e.g. school report cards.

³⁷ These core GPE indicators will be tracked throughout project implementation but not included as PDO or intermediate project results indicators. Since these indicators are for tracking purposes of the actual figures only, no targets are set. Data for 2010–11 school year.

³⁸ This indicator is based on the World Bank Guidance Note on IDA Core Education for IDA Countries. This indicator is measured on a scale from 0 to 4, using the following criteria: indicator value 1 = official purpose of the assessment is to measure overall student progress toward agreed learning goals and assessment is given to a representative sample or census of the targeted grades or age levels; indicator value 2 = data are analyzed and results are reported to education policy makers and/or the public and/or results are reported for at least one of the following student subgroups, i.e., gender, urban-rural, geographic region, and/or the assessment exercise is repeated at least once every 5 years for the same subject area(s) and grade (s); indicator value = 3 if yes on any two of the items of indicator 2; indicator value = 4 if yes on all 3 activities.

Annex 3: Summary of Estimated Project Costs

MG-EMERGENCY SUPPORT TO EDUCATION FOR ALL PROJECT (P132616)

Category	Amount of the Grant Allocated (in US\$ m)
Component 1: Facilitating access to and retention in primary education by reducing the costs of schooling borne by families	37.2
Subcomponent 1.1: Subsidies to community teacher salaries	22.3
Subcomponent 1.2: Provision of school kits	14.9
Component 2: Supporting the learning process by improving the teaching and learning environment	35.9
Subcomponent 2.1: Community teacher training in key basic competencies	9.6
Subcomponent 2.2: Top-up to school grants	14.3
Subcomponent 2.3: School feeding activities	7.0
Subcomponent 2.4: School infrastructure improvement	5.0
Component 3: Strengthening the foundations of the primary education system by rebuilding stakeholders' capacity and improving community participation and transparency	8.3
Subcomponent 3.1: Institutional strengthening	2.0
Subcomponent 3.2: Capacity building for communities	2.0
Subcomponent 3.3: Project management, monitoring, and evaluation	4.3
Unallocated	4.0
Total Amount	85.4

Annex 4: Operational Risk Assessment Framework

MG–EMERGENCY SUPPORT TO EDUCATION FOR ALL PROJECT (P132616)

Operating Environment Risks

Project Stakeholder Risks						
1.1 Stakeholder Risk	Rating	Substantial				
<p><i>Description:</i></p> <p>Low beneficiary capacity may pose a risk to accountability and effective use of inputs funded by the project, and to the achievement of the Project Development Objective (PDO).</p> <p>Current persisting political crisis discourages donor participation and active dialogue with the government on reforms.</p> <p>Potential teacher strikes, especially of civil servant teachers, may pose a considerable risk to project performance and the implementation timeline.</p>	Risk Management:					
	<ul style="list-style-type: none"> •The project design includes activities to strengthen institutional capacity at the central ministry level and its deconcentrated administrative structures, as well as accountability mechanisms at the community/school level. Activities will include, for example, training, school reports cards, and budget transparency to reinforce the role of school-based management committees (which include parents, teachers, and directors). •The project design ensures interventions to address gaps identified in the Interim Education Sector Plan (IESP) and avoid as much as possible any duplication of activities with planned funding that may become available for the sector. Current or planned interventions by other donors in the sector (e.g., EU, UNICEF, AFD) have been centered on other regions and/or other activities. The sound interim sector plan provides a good platform for further donor support in the future. In terms of long-term sector strategy and reforms, the government plans the preparation of a 5-year Education Sector Plan (ESP). •For the medium to long term, policy dialogue on the issues of teacher status, recruitment, and management is planned as part of long-term sector strategy development, based on extensive analytical work. Education sector donors have taken an active role in the endorsement of the IESP, and this should contribute to alleviating the grievances expressed. In the short term, project financing of teacher networks within the teacher training subcomponent will encourage teacher involvement, knowledge transfer, and buy-in. 					
	Resp: Both	Stage: Both	Recurrent: <input checked="" type="checkbox"/>	Due Date:	Frequency:	Status: In Progress
	Resp: Bank	Stage: Both	Recurrent: <input checked="" type="checkbox"/>	Due Date:	Frequency:	Status:
2.2 Sector	Rating	High				
<p><i>Description:</i></p> <p>Fiscal space of the government is limited, so sustainability of funding for basic education services remains a challenge in</p>	Risk Management:					
	<ul style="list-style-type: none"> • In spite of 3 years of crisis and the resulting budget constraints, the government has been committed to maintaining priority expenditures in areas such as teacher salaries and school grants and has been active in rallying donor support for these priority expenditures. To ensure the sustainability of funding for basic education services, this project will: (i) support the sector through multi-donor GPEF financing; (ii) ensure that financing is well coordinated with and 					

<p>the current environment. Domestic revenues will possibly drop even further due to a continuation of the crisis. This scenario, as well as the government's already limited fiscal space, could cause delays in implementation and reduce the project's ability to achieve its objectives. A particularly serious concern is whether the government can continue to pay community teacher salaries.</p>	<p>complementary to activities under IDA multi-sector support to basic social services (particularly the education component) as well as other donor support (which also finances part of the community teacher salaries); (iii) support the government in advocacy and the development and implementation of the IESP, as well as preparation of a long-term sector strategy with other partners as part of capacity and system strengthening under the proposed project, with the objectives of setting clear priorities in this budget-constrained environment and of attracting other donor financing (among others). Despite such mitigation measures, the risk of substitution remains substantial and will need to be closely monitored through regular dialogue with the Ministries of Finance and Education, in close collaboration with other partners. In addition, a dated covenant was added to provide a response to substitution if necessary, especially with regards to community teacher salaries.</p>						
<p>Government commitment may be weak due to the ongoing political crisis and may result in weak oversight during project implementation.</p>	<p>Resp: Govern-ment, IDA, other donors</p>	<p>Stage: Prepara-tion, Imple-menta-tion</p>	<p>Recurrent: <input checked="" type="checkbox"/></p>	<p>Due Date:</p>	<p>Frequency:</p>	<p>Status: Not Yet Due</p>	
<p>Risk Management:</p>							
<p>Government commitment:</p> <ul style="list-style-type: none"> • The project design attempts to minimize this risk as much as possible by: (i) complementing but not substituting for government interventions (e.g., supporting community teacher pay for only a few months in targeted areas); (ii) using tested, existing interventions and mechanisms; (iii) keeping the design simple by prioritizing activities and using a targeted approach; and (iv) re-activating the subsector Steering Committee for Education for All, led by the Secretary General of the Ministry of Education and including the key directors, which will provide oversight for the implementation of the sector plan as well as the project. In addition, government commitment at all levels is evident in the continuity/maintenance of education sector policies, the pursuit of a sector dialogue with partners, and the extensive amount of technical MEN staff time put into preparing the IESP. • The fact that an interim sector plan was prepared and regional consultations on it held highlights the government's commitment to the subsector. Project design and implementation arrangements will include mechanisms in each of the different activities to guarantee clear accountability under this project. The implementing agency has experienced staff with extensive project management experience and high technical capacity to ensure quality of implementation. <p>Specific dated covenants/disbursement conditions will also be in place to ensure that the proposed operation achieves its impact.</p>							
<p>Personnel changes in key government positions may occur (especially if elections take place), which could lead to policy changes or affect project implementation in other ways, causing delays.</p>	<p>Resp: Govern-ment</p>	<p>Stage: Imple-menta-tion</p>	<p>Recurrent: <input checked="" type="checkbox"/></p>	<p>Due Date:</p>	<p>Frequency:</p>	<p>Status: Not Yet Due</p>	
<p>Risk Management:</p>							
<p>Potential personnel and/or policy changes:</p> <ul style="list-style-type: none"> • Continued sector dialogue with the government and the other partners will reduce this potential risk. Sector policies have thus far been largely maintained. • Any transition arrangements need to be acceptable to the Bank for both interim and permanent staff of the Project 							

	Implementation Unit (PIU). New recruitments for staff of the PIU where the GPE supports salaries will be subject to Bank procurement guidelines.						
	Resp: Government	Stage: Implementation	Recurrent: <input checked="" type="checkbox"/>	Due Date:	Frequency:	Status: Not Yet Due	
3.1 Capacity	Rating	Moderate					
<p>Description: Overall relatively weak accountability mechanisms and limited capacity for implementation at the central and deconcentrated levels, especially for monitoring and evaluation. Acute lack of appropriate equipment, particularly at the deconcentrated levels, limits planning and monitoring capacity.</p> <p>Limited procurement capacity and potential delays in school construction and recruitment of NGOs may delay the delivery of key activities.</p>	Risk Management:						
	<ul style="list-style-type: none"> • Keep project design, implementation mechanisms, results framework, and M&E arrangements as simple as possible, e.g., by focusing project activities on 12 regions, which will also allow for a more concentrated impact. • The majority of activities have already been undertaken as part of the previous GPE, government, or other donor interventions. To a large extent, existing implementation structures and mechanisms will be used. • The project design includes capacity-strengthening activities at the local community level as well as the local and regional levels. The project will also provide targeted technical assistance and equipment to strengthen planning and monitoring capacity. • The PIU is already staffed with the required fiduciary and technical experts and has extensive experience with donor-financed projects, including IDA, and a good track record with respect to fiduciary and M&E aspects as well as overall project management. 						
	Resp: Both	Stage: Both	Recurrent: <input checked="" type="checkbox"/>	Due Date:	Frequency:	Status:	
	Risk Management:						
	<p>Procurement capacity:</p> <ul style="list-style-type: none"> • Procurement capacity of the PIU will be strengthened through technical assistance for procurement staff of the PIU before implementation begins. This technical assistance is underway. • In addition, two World Bank Procurement Specialists are based in country to provide implementation support, supervision by proximity, and guidance to the PIU. 						
Resp: Both	Stage: Both	Recurrent: <input checked="" type="checkbox"/>	Due Date:	Frequency:	Status: O		
3.2 Governance	Rating	Substantial					
<p>Description: The Project will operate under a de facto government lacking sound accountability mechanisms and having weak institutional capacities both at the central and local level. This environment could increase governance risks for the project, e.g., potential political interference in project management.</p>	Risk Management:						
	<ul style="list-style-type: none"> • Governance and social accountability activities and tools will be integrated in the project, including (for instance) the training of school-based management committees on the use of school grants and the teacher accountability process; school report cards; and beneficiary surveys, among others. • The restructured IDA Governance Project will also help address key issues on governance and public sector capacity. In addition, the availability of grievance mechanisms through structures at the community level, such as school committees, will help monitor potential governance issues. • The existing PIU, although created by the government under its authority, in practice has been and is expected to remain relatively autonomous from the government. In addition, the PIU is subject to the Bank's oversight, given the obligation to follow Bank procedures and guidelines, and any changes or recruitment of staff are subject to a non-objection by the Bank. The current PIU has considerable experience and a good track record of IDA project implementation, and no major risks are foreseen in this regard. Well-qualified fiduciary staff members are already in 						

	<p>place, as are the necessary procedures manuals and software. The project also intends to strengthen M&E and contribute to capacity-building activities.</p> <ul style="list-style-type: none"> • Supervision and spot checks by local school inspectors will continue to be implemented at the decentralized levels. The internal audit department of the PIU will be responsible for conducting continuous reviews to enable timely detection and resolution of internal control weaknesses. • Regional and district education focal points will continue their monitoring and supervision roles. 						
	Resp: Both	Stage: Implementation	Recurrent: <input checked="" type="checkbox"/>	Due Date:	Frequency:	Status: Not Yet Due	
	Resp: Both	Stage: Implementation	Recurrent: <input checked="" type="checkbox"/>	Due Date:	Frequency:	Status: Not Yet Due	
4.1 Design	Rating		Moderate				
<p>Description: Overall, the project consists of a considerable number of activities³⁹ that will be implemented over a relatively short timeframe of three years; this poses a risk of implementation delays and a risk to the achievement of project objectives.</p> <p>Hard-to-reach schools, combined with lack of deconcentrated capacity, may create practical difficulties in the timely and successful distribution of kits to schools.</p> <p>Limited capacity of school management committees to manage school feeding and of community schools to implement and report on the school feeding activities may</p>	Risk Management:						
	<ul style="list-style-type: none"> • The geographic focus will facilitate implementation and supervision. • All relevant stakeholders were consulted at various stages during the design, and there is a clear assignment of roles and responsibilities for implementation. • Capacity-building activities will be provided to regional and local education personnel and to communities to ensure effective planning, delivery, and use of services. • The Project design and approach are based largely on existing activities and implementation mechanisms and priority activities identified in the IESP. Any new, innovative activities are being rolled out on a pilot basis first. 						
	Resp: Both	Stage: Both	Recurrent: <input checked="" type="checkbox"/>	Due Date:	Frequency:	Status:	
	Risk Management:						
	<ul style="list-style-type: none"> • A supervision mechanism will be put in place to closely follow the distribution chain of school kits. The project design will also include the provision of necessary equipment to school districts (CISCOs) and sub-district offices (ZAPs) to ensure adequate physical capacity to distribute kits. 						
Resp: Both	Stage: Implementation	Recurrent: <input checked="" type="checkbox"/>	Due Date:	Frequency:	Status: Not Yet Due		
Risk Management:							
<ul style="list-style-type: none"> • A feasibility study has been incorporated into the design of the subcomponent to identify the most appropriate ways to implement a community school feeding program. • Capacity-building activities are planned for school management committees and parents' associations (FAF and 							

³⁹ The selection and number of activities are determined by the fact that the amount of financing provided by the project represents a large share of external funding to the sector, as well as the fact that after four years of crisis, the sector's needs are substantial. In addition, the project design is based on critical activities identified by the government in its sector plan.

<p>delay the transition to a sustainable community school feeding mechanism.</p> <p>Delays in implementing school construction activities are possible, since this intervention tends to require considerable technical and procurement capacity.</p>	FRAM), in addition to close supervision and monitoring of implementation, to support a gradual move toward independent community management as management capacity improves.										
Resp: Both		Stage: Both		Recurrent: <input checked="" type="checkbox"/>		Due Date:		Frequency:		Status:	
Risk Management:											
<ul style="list-style-type: none"> • Madagascar developed a School Construction Strategy in 2008, and the Ministry of Education’s school construction unit had benefitted from considerable capacity-building activities before the crisis. This capacity has been maintained. • In addition, the team is being supported by an international expert on community-based school construction. • The community-based approach proposed for the project has been successfully implemented in the past in Madagascar. 											
Resp: Both		Stage: Both		Recurrent: <input checked="" type="checkbox"/>		Due Date:		Frequency:		Status:	
4.2 Social and Environmental				Rating		Low					
Description:				Risk Management:							
<p>Potential social and environmental risks are associated with school construction, given that the construction activities could require the relocation of people or cause environmental degradation if proper protective measures are not implemented.</p> <p>An Environmental and Social Screening Assessment Framework (ESSAF) was prepared. The ESSAF will be further supported by the individual subproject safeguards instruments, built upon the existing project safeguards documents. Given the uncertain political economy, along with the recurrent disaster-related impacts, the risk remains of not properly implementing all the proposed recommendations.</p>				<ul style="list-style-type: none"> • Resources will contribute to the development and implementation of an Environmental and Social Management Framework (ESMF) and a Resettlement Policy Framework (RPF); a supervision mechanism has been put in place with the MEN and the existing PIU for the supervision of the implementation of these frameworks. Additionally, a communication plan will be put in place and followed to inform affected communities. 							
Resp: Client		Stage: Implementation		Recurrent: <input checked="" type="checkbox"/>		Due Date:		Frequency:		Status: Not Yet Due	
4.3 Program and Donor				Rating		Substantial					
Description:				Risk Management:							
Several external donors withdrew their support as a result of the political situation, which has negatively affected the schooling of the population, given that Madagascar largely depends on external				<ul style="list-style-type: none"> • Throughout the crisis, the key external partners continued to participate in the technical dialogue in the education sector as part of regularly occurring consultations with other donors. The dialogue helped ensure that interventions would address the most urgent needs and complement interventions of other external partners, such as the EU, Norway, UNICEF, AFD, and others. In particular, IDA has been and will continue to be very engaged in the technical dialogue with the government as part of the dynamic Local Education Group (LEG) coordinated by UNICEF. 							

<p>resources for this sector (for example, donors financed 80 percent of education spending). Further donor disengagement could have additional negative impacts on the government’s capacity to implement its policies and could create a misalignment in donor activities intended to fill the gaps needed to preserve access to education.</p>	<p>• With the support of the partners, the government developed an IESP, which serves as a framework within which the donors will align themselves and will contribute to attracting further funding to the sector.</p>						
<p>4.4 Delivery Monitoring and Sustainability</p>	<p>Rating</p>	<p>Substantial</p>					
<p>Description: Delivery monitoring: Weak capacity for M&E at the local level. Problems with data availability and quality are still present in some instances.</p> <p>With the ongoing political crisis, there is a lack of clear accountability and supervision mechanisms.</p> <p>Sustainability: Overall sector: The government depends heavily on external resources, even for recurrent expenditures such as community teacher salaries and school grants, but funding needs are often unmet even for priority expenditures due to government budget constraints and unpredictability in funding. The proposed project, in combination with other donor and IDA support, will help address a small portion of the needs, but sustainability cannot be guaranteed unless other donors participate and operations resume.</p>	<p>Risk Management:</p>						
	<p>Re sp: Bank</p>	<p>Stage: Both</p>	<p>Recurrent: <input checked="" type="checkbox"/></p>	<p>Due Date:</p>	<p>Frequency:</p>	<p>Status: O</p>	
<p>Risk Management:</p>							

	<p>Sustainability:</p> <ul style="list-style-type: none"> • Over the short term, this project—in coordination with funding from the Madagascar government and that of other donors—aims to address sector priorities over three years, as identified in the IESP. Given the present political context, neither the IESP nor the project aims to engage the government on long-term political engagements. However, the project does aim to place the government in a position to make sustainable political decisions on sector issues once the political situation begins to normalize, as it will finance data-based policy making, training, and activities to promote government and community ownership of activities, and the establishment of a full Education Sector Plan after IESP implementation. The question of sustainability can therefore be addressed only in a limited way by the present operation; it should not be seen as one of the primary objectives for this period of financing. • In terms of support to community teacher salaries, the government commitment for its share of the salaries is inscribed in the 2013 budget. • Over the long term, the government plans the development of a full, five-year Education Sector Plan, which will also have to address all aspects related to teachers. The current IESP foresees a study on teachers as a basis for the dialogue on this issue. 						
	Res p: Govern- ment, Partners (LEG), Bank	Stage: Both	Recurrent: <input checked="" type="checkbox"/>	Due Date:	Frequency:	Status: O	
4.5 Political Interference	Rating		Substantial				
<p>Description:</p> <p>In the current political context, there is a heightened overall risk of political interference, which could impact the implementation and performance of the project overall. More specifically, it could delay or preclude the project’s ability to finance a full Education Sector Plan, and/or it could severely hinder the provision of services and inputs to direct beneficiaries.</p>	<p>Risk Management:</p> <ul style="list-style-type: none"> • At the project level, past positive experiences and the established relationship of trust between the Bank and the staff of the PIU will help defend the project against political interference. In addition, in the more recent past, the Bank was able to defend effectively against attempted interference at the project level. • At the activity level, the following measures will contribute to mitigating potential political interference: (i) strong involvement of direct beneficiaries in project activities through existing social accountability structures at the community level, such as school management committees; (ii) existing grievance mechanisms through these structures, as well as the local and regional administrative structures, among others; (iii) beneficiary surveys; and (iv) capacity-strengthening activities for communities to enhance governance, such as school report cards and training of school management committees to promote greater parental participation and social accountability. 						
	Resp: Bank	Stage: Both	Recurrent: <input checked="" type="checkbox"/>	Due Date:	Frequency:	Status: O	
4.6 Rising Insecurity	Rating		Moderate				
<p>Description:</p> <p>Rising banditry, insecurity, and lawlessness in parts of the countryside, including several communities in the 15 project</p>	<p>Risk Management:</p> <ul style="list-style-type: none"> • The trouble spots are isolated and typically well known by local stakeholders. Certain basic precautions will be taken (such as not traveling at nightfall and traveling in groups) during the implementation and supervision of activities. 						
	Resp: Both	Stage: Imple- mentati	Recurrent: <input checked="" type="checkbox"/>	Due Date:	Frequency:	Status: O	

regions, might pose a considerable challenge and risk for implementation and supervision.		on					
4.7 Natural Disasters	Rating	Moderate					
Description: Madagascar's geographic location and weather patterns make it vulnerable to frequent cyclones, which result in flooding and other damage in various regions. Several of the regions targeted by the project are prone to cyclones and could be affected, which could compromise the project's development effectiveness.	Risk Management:						
	<ul style="list-style-type: none"> • The FID Program, to which IDA contributes, is responsible for an IDA project that includes support to community-based infrastructure, among other activities, and could thus provide a rapid response to a natural disaster. During the preparation of the Multi-sector Protection of Lifeline Infrastructure and Livelihoods Project, which will be continuing support to the FID, the task team preparing this project has been in a dialogue with the program to see if existing resources can be prioritized to the five regions while the project becomes effective. • The proposed GPE project also includes an unallocated category to enable a rapid response in the event of natural disasters. 						
	Resp:	Stage:	Imple- menta- tion	Recurrent: <input checked="" type="checkbox"/>	Due Date:	Frequency:	Status: O

6. Overall Risk	
Implementation Risk Rating:	Substantial
Description:	
The overall implementation risk rating is substantial, given the substantial or high risk rating for most of the categories (stakeholder risk: substantial; sector risk: substantial; program and donor risk: substantial; delivery monitoring and sustainability: substantial; governance: substantial).	

Annex 5: Financial Management and Disbursement Arrangements

MG–EMERGENCY SUPPORT TO EDUCATION FOR ALL PROJECT (P132616)

Introduction

1. **A financial management assessment was undertaken to evaluate the adequacy of the project arrangements in accordance with the Financial Management Practices Manual as issued by the Financial Management Sector Board on March 1, 2010.** The assessment covered the Education Technical Support Unit (UAT-EPT), which will be the implementing agency for the project. UAT-EPT was implementing part of the Education for All Grant disbursed through UNICEF (closed as of December 2012) and is also responsible for the implementation of the education component of the Emergency Support to Critical Education, Health, and Nutrition Services Project. It was also charged with implementation of the Education for All Initiative (Global Partnership for Education) funding, for which the Bank was the supervising entity prior to the crisis in 2009.
2. **Therefore, the PIU has considerable experience in the management of Bank-funded projects and the proposed financial management arrangements are assessed as acceptable to IDA.** In view of the additional volume of operations that will result from this grant financing, UAT-EPT will be required to recruit two additional Accountants with appropriate experience and qualifications. They, together with an additional Internal Auditor, will provide objective assurance regarding the operations of this specific Grant.
3. **The overall financial management risk rating is Moderate.**

Financial Management Arrangements for the Project

4. ***Budgeting and planning:*** The PIU will prepare the annual budget, which will be approved by the Steering Committee on Education for All (SCEFA). The PIU will be responsible for producing variance analysis reports comparing planned to actual expenditures on a monthly and quarterly basis. The periodic variance analysis will enable the timely identification of deviations from the budget. These reports will be part of the interim unaudited financial reports (IFRs) that will be submitted to the Bank on a quarterly basis.
5. ***Accounting software:*** The project will purchase and install new accounting software with multi-project functionalities to cater for all of the different projects that will need to be implemented. The accounting software will facilitate budgeting, transaction processing, quarterly interim financial reporting, and the generation of the annual financial statements.
6. ***Internal controls/Financial Management Procedures Manual:*** The PIU will use the existing Financial Management Procedures Manual for the purposes of the GPE funding. The project will also periodically review the manual over the project's life cycle to ensure its continued adequacy and ensure compliance with the requirements set out therein.

7. **Internal audit:** The PIU has an internal audit department, which will prepare quarterly reports for submission to the Steering Committee on Education for All (SCEFA). To ensure its independence, the internal audit department will perform an objective assurance function and will not be involved in carrying out operational tasks or in any financial management. As noted, an additional Internal Auditor will be recruited, given the increased workload and in view of the need to undertake continuous field reviews of project operations.
8. **Financial reporting:** The PIU will prepare quarterly unaudited IFRs for the project in a form and content satisfactory to the Bank, which will be submitted to the Bank within 45 days after the end of the quarter to which they relate. The project will prepare and agree with the Bank on the format of the IFRs during the negotiations phase, and the annual financial statements will be prepared using International Public Sector Accounting Standards. At the end of each fiscal year, the project will prepare annual financial statements using the format for the existing projects.
9. **Staffing:** The PIU will retain the existing financial management staff who have experience in the management of Bank-funded projects and are conversant with the World Bank's Financial Management (FM) procedures and requirements. Owing to an increased volume of transactions and additional financial management tasks linked to this GPE funding, the project will also recruit two additional accountants.
10. **External Audit:** The project accounts will be audited annually, and the audit report will be submitted to the World Bank no later than six months after the end of each financial year. The recruitment of the Project's external auditor will be effective no later than six months following effectiveness to enable the commencement of the procurement of external audit services. At the time of this appraisal, there is no overdue audit report for the sector. The Project will comply with the Bank's disclosure policy on audit reports (for example, it will make them publicly available promptly after receipt of all final financial audit reports, including qualified audit reports) and place the information on the official website within one month of the report being accepted as final by the Bank.
79. Given that some of the project funds will be channeled to qualifying UN agencies, notably, WFP and UNICEF for the execution of specific eligible activities, the financial management arrangements will be governed by the Fiduciary Principles Accord signed between the Bank and the concerned UN agencies. According to the FPA, the signatory UN entities, in this case WFP and UNICEF, may implement OP 8.00 Project activities financed by the Bank in accordance with their own fiduciary policies.⁴⁰

Disbursement Arrangements and Flows of Funds

11. **Flows of Funds - Designated Account.** The PIU will open a Designated Account (DA) denominated in US dollars to enable payment of eligible project expenditure. Additional advances to the DA will be made on a monthly basis against withdrawal applications

⁴⁰ Recipient and donors confirmed WFP implementation under the Fiduciary Principles Accord.

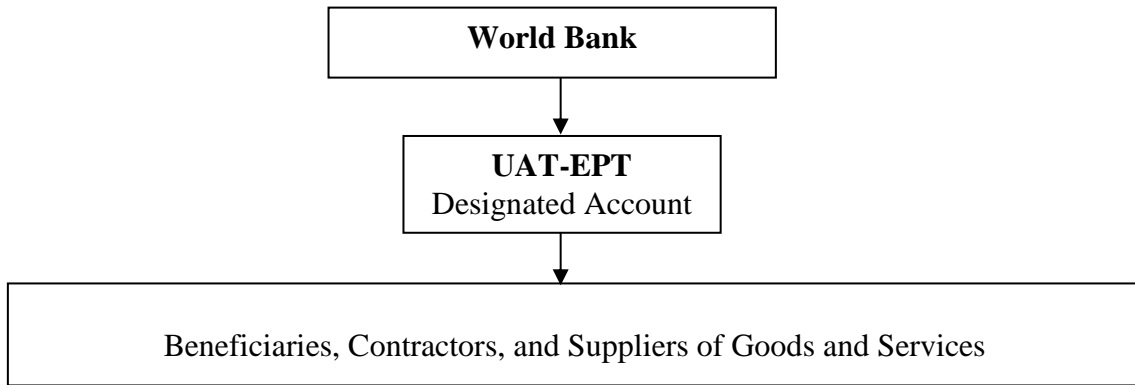
supported by Statements of Expenditures (SOE) or other documents as specified in the Disbursement Letter (DL).

12. **Disbursement arrangements.** Upon the effectiveness of the financing, transaction-based disbursements will be used. An initial advance up to the ceiling of the DA and representing four months of forecasted project expenditures payable through the DA will be made into the designated account and subsequent disbursements will be made on a monthly basis against submission of the SOE or other documents as specified in the DL.
13. In addition to the “advance” method, the option of disbursing the funds through direct payments to a third party, for contracts above a pre-determined threshold for eligible expenditures, will also be available. Another acceptable method of withdrawing proceeds from the GPEF Grant is the special commitment method, whereby the Bank may pay amounts to a third party for eligible expenditures to be paid by the Recipient under an irrevocable Letter of Credit.
14. The grant will disburse 100 percent of eligible expenditures (inclusive of taxes). The proceeds of the grant have been allocated as follows:

Category	Amount of the Grant Allocated (expressed in US\$)	Percentage of Expenditures to be Financed
Goods		100%
Works		100%
Consulting services		100%
Training		100%
Operating costs		100%
TOTAL AMOUNT	85,400,000	

15. **Disbursement of funds to service providers, contractors, and suppliers.** The PIU will make disbursements to project beneficiaries, service providers, contractors, and suppliers of goods and services for specified eligible activities under the Grant. Payments will be made on the basis of the terms and conditions of each contract. In addition to payments made from the Designated Account, payments to beneficiaries, service providers, contractors, and suppliers of goods and services for specified eligible activities can be made using the direct payment, special commitment, and reimbursement methods described under the section on disbursement arrangements above.

Funds Flow Diagram



16. ***Financial Management risk assessment and mitigation.*** The Bank’s principal concern is to ensure that project funds are used economically and efficiently for the intended purpose. An assessment of the risk that the project funds will not be used appropriately is an important part of the financial management appraisal process. The risk features comprise two elements: (i) the risk associated to the project as a whole (inherent risk) and (ii) the risk linked to a weak control environment with regard to project implementation (control risk). The content of these risks is described below:

Risk	Risk Rating	Risk- Mitigating Measures Incorporated into Project Design	Conditions for Effectiveness (Y/N)	Residual Risk
Inherent risk	S			S
Country level: The latest Public Expenditure and Financial Accountability Assessment identified critical Public Financial Management (PFM) weaknesses at central and decentralized levels	S	The implementation of PFM reform has stalled owing to the limited donor engagement with the de facto government. The project activities will not be mainstreamed into existing government entities but will be managed through the standalone Project Implementation Unit (PIU) to mitigate these weaknesses.	N	S
Entity level: The implementing entity may not be able to meet the financial management requirements due to lack of financial management capacity	M	The PIU will retain the existing financial management personnel ⁴¹ who possess adequate experience and competence. It will also recruit 2 additional Accountants with appropriate competence to reinforce the Financial Management (FM) function.	N	M
Project level: The resources of the project may not be used for the intended purposes	M	The PIU will comply with the internal control processes as set out in the FM Procedures Manual. The internal audit unit will also continuously review the adequacy of internal controls and make recommendations for improvement.	N	M

⁴¹ Subject to reviewing the terms and conditions of their contracts and their performance.

Risk	Risk Rating	Risk- Mitigating Measures Incorporated into Project Design	Conditions for Effectiveness (Y/N)	Residual Risk
Control Risk	M			M
Budgeting: Weak budgetary execution and control leading to budgetary overruns or inappropriate use of project funds	M	The FM Procedures Manual will spell out the budgeting and budgetary control arrangements to ensure appropriate budgetary oversight.	N	M
Accounting: The accounting function might not be able to execute its duties and to generate financial information in a timely manner	M	The PIU will recruit and retain suitably qualified and experienced FM personnel to ensure appropriate performance of the accounting and financial management functions. The financial reporting processes will also be facilitated by the installation of new accounting software.	N	M
Internal Control: Specific aspects of project activities may not be appropriately addressed in the FM Procedures Manuals	M	The FM Procedures Manual will be reviewed to ensure continuing adequacy over the course of the project's life.	N	M
Funds Flow: Risk of misused and inefficient use of funds	M	The Project Coordinator and the Finance Manager will rigorously review all transactions prior to final payment. Internal audit reviews will also mitigate the risk that funds will be used for unintended purposes.	N	M
Financial Reporting: The project may not be able to produce the financial reports required in a timely manner as required for project monitoring and management	M	The existing FM staff members are appropriately experienced in financial reporting and are conversant with the related Bank requirements. The additional personnel will also possess the appropriate competencies. The PIU will purchase new accounting software that will enable the efficient and timely generation of financial information.	N	M
Auditing: Delays in submission of audit reports or delays in implementing the recommendations of the management letter	M	An independent external audit firm will be hired by the project with due regard to the audit submission timelines set out in the financing agreement. The Bank will monitor audit submission compliance and ensure implementation of management letter recommendations.	N	M
Governance and Accountability: Possibility of corrupt practices, including bribes, abuse of administrative and political positions, misprocurement and misuse of funds, and so on are a critical issue	S	FM arrangements (including a comprehensive annual audit of project accounts as well as Bank FM supervision, including review of transactions and asset verification) are designed to mitigate the fiduciary risks in addition to the PIU's overall internal control systems. The internal audit function will also carry out spot checks and field verification of project beneficiaries to ensure detection of any misuse of funds.		M

Risk	Risk Rating	Risk- Mitigating Measures Incorporated into Project Design	Conditions for Effectiveness (Y/N)	Residual Risk
OVERALL FM RISK	M			M

17. The overall FM risk rating, taking into account the mitigation measures, is deemed Moderate.
18. **Supervision plan:** Based on the current overall residual FM risk, the project will be supervised at least twice a year, in addition to routine desk-based reviews, to ensure that the project’s FM arrangements operate as intended and that funds are used efficiently for the intended purposes.

Financial Management Action Plan

19. The Financial Management Action Plan described below has been developed to mitigate the overall financial management risks.

Issue	Remedial action recommended	Completion date	Effectiveness Conditions
Financial Management Staffing	Recruitment of 2 new Accountants	3 months following effectiveness	No
Internal Audit	Recruitment of 1 additional Internal Auditor	3 months following effectiveness	No

List of Conditionalities and Covenants

Financial Management effectiveness conditions:

There is no FM condition of effectiveness.

Financial covenants/Dated covenants:

1. Recruitment of external auditors (six months after effectiveness).
2. Recruitment of two new accountants (three months after effectiveness).
3. Recruitment of one additional internal auditor (three months after effectiveness).

Other FM standard covenants:

1. IFRs will be prepared on a quarterly basis and submitted to the Bank 45 days after each quarter.
2. Annual detailed work program and budget, including disbursement forecasts, will be prepared each year by the end of December.
3. The overall FM system will be maintained operational during the project’s entire life in accordance with sound accounting practices.

Annex 6: Procurement Arrangements

MG–EMERGENCY SUPPORT TO EDUCATION FOR ALL PROJECT (P132616)

A. General

1. Madagascar is in the process of major procurement reforms. A new Procurement Code was passed by the Parliament and the Senate and became effective in July 2004. The main pillars of the code are transparency, efficiency, and economy; accountability; equal opportunity for all bidders; prevention of fraud and corruption; and promotion of local capacity. In general, Madagascar's Procurement Code and regulations do not conflict with IDA guidelines.
2. The Procurement Code was supplemented by regulations, procedures manuals, and standard bidding and other procurement documents. The Procurement Code defines methods of procurement and review procedures. The Code also created: (i) the Public Procurement Oversight Authority (Autorité de Regulation des Marchés Publics, ARMP) in 2006, which includes oversight of the National Tender Board (Commission National des Marchés) for procurement reviews and the Regulatory and Appeals Committee (Commission de Regulation et de Recours) for the handling of complaints and norms. Finally, the Code provides for the creation of procurement units (Unité de Gestion de la Passation de Marchés, UGPM), under the leadership of the person responsible for public procurement (Personne Responsable des Marchés Publics); a Tender Committee (Commission d'Appel d'Offres) in each ministry; and decentralized departments of national public institutions.
3. The Procurement Code is generally consistent with good public and international practices and includes provisions for: (i) effective and wide advertising of upcoming procurement opportunities (general procurement notice for each procuring entity and ARMP website); (ii) public bid opening; (iii) pre-disclosure of all relevant information, including transparent and clear bid evaluation and contract award procedures; (iv) clear accountabilities for decision making; and (v) an enforceable right of review for bidders when public entities breach the rules.
4. The Country Procurement Assessment Report (CPAR) was submitted to government and adopted in June 2003. The action plan of the CPAR was agreed upon with government during the December 2003 CPAR mission and workshop. During the preparation of Poverty Reduction Support Credits 2 to 6, four key ministries (education, health, transport, and agriculture) were assessed on the application of the new procurement code provisions, with these assessments being used as triggers from one Poverty Reduction Support Credit to the next.
5. **The procurement for the proposed project will be carried out in accordance with:** (i) the World Bank's "Guidelines: Procurement of Goods, Works, and Non-consulting Services under IBRD Loans and IDA Credits and Grants by World Bank Borrowers," published by the Bank in January 2011; (ii) "Guidelines: Selection and Employment of Consultants under IBRD Loans and IDA Credits and Grants by World Bank Borrowers," published by the Bank in January 2011; and (iii) the provisions of the Financial Agreement. Furthermore the

Guidance Note to World Bank Staff, “Rapid Response to Crises and Emergencies—Streamlined Procurement Procedures,” (June 2009) will also guide procurement.

6. **Anti-corruption guidelines.** The “Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants,” dated October 15, 2006 and updated in January 2011, shall apply to this project.
7. WFP, which will implement the school feeding activities in year 1 under a subsidiary agreement, and UNICEF which will acquire and distribute the school kits under a delegated management contract will comply with its own fiduciary requirements (including Anticorruption Guidelines and Audits) on the basis of the Fiduciary Principles Accord signed between the Bank and selected UN agencies.
8. **Procurement Documents.** Procurement transactions will be carried out using the Bank’s Standard Bidding Documents or Standard Request for Proposal, respectively, for all International Competitive Bidding (ICB) and National Competitive Bidding (NCB), for goods and for selection of consultants. For NCB, the Borrower could submit a sample form of bidding documents to the Bank for prior review and will use this type of document throughout the project once agreed upon. The Sample Form of Evaluation Reports published by the Bank will be used. For certain procurement activities that need rapid responses, especially in emergency situations, the very simple sample documents in the annexes of the Note to World Bank Staff, “Rapid Response to Crises and Emergencies—Streamlined Procurement Procedures” (June 2009), will be used.
9. **Retroactive Financing.** The proposed amount of retroactive financing will be US\$ 8.0 million equivalent. Only project activities incurred on or after August 1, 2013 will be eligible for reimbursement through retroactive financing. Payments will be for items procured in accordance with applicable Bank procurement. Disbursements will be subject to expenditures meeting the requirements of retroactive financing as outlined in OP 6.0, Bank Financing, and paragraph 2(e).

B. Advertising Procedure

10. General Procurement Notice, Specific Procurement Notices, Requests for Expression of Interest, and results of the evaluation and contracts award should be published in accordance with advertising provisions in the following guidelines: “Guidelines: Procurement under IBRD Loans and IDA Grants,” dated January 2011, and “Guidelines: Selection and Employment of Consultants by World Bank Borrowers,” dated January 2011. The borrower will keep a list of responses received from potential bidders interested in the contracts.
11. For ICB and request for proposals that involve international consultants, the contract awards shall be published in UNDP online and in the national press with wide circulation for all contracts where short list comprises only National firms and all single-source selection contract awarded to National firms within two weeks of receiving IDA’s “no objection” to the recommendation of contract award. For Goods, the information to publish shall specify: (i) name of each bidder who submitted a bid; (ii) bid prices as read out at bid opening; (iii)

name and evaluated prices of each bid that was evaluated; (iv) name of bidders whose bids were rejected and the reasons for their rejection; and (v) name of the winning bidder and the price it offered, as well as the duration and summary scope of the contract awarded. For Consultants, the following information must be published: (i) names of all consultants who submitted proposals; (ii) technical points assigned to each consultant; (iii) evaluated prices of each consultant; (iv) final point ranking of the consultants; and (v) name of the winning consultant and the price, duration, and summary scope of the contract. The same information will be sent to all consultants who submitted proposals. The other contracts should be published in the national gazette periodically (at least quarterly) and in the format of a summarized table covering the previous period with the following information: (i) name of the consultant to whom the contract was awarded; (ii) the price; (iii) duration; and (iv) scope of the contract.

C. Procurement Methods

12. Procurement of Works. The Works to be financed by IDA would include construction and rehabilitation of school classrooms and latrines. Contracts of works estimated to cost US\$ 5,000,000 equivalent or more per contract shall be procured through ICB. Contracts estimated to cost less than US\$ 5,000,000 equivalent may be procured through NCB. Contracts estimated to cost less than US\$ 100,000 equivalent per contract may be procured through shopping procedures. For shopping, contracts will be awarded following evaluation of bids received in writing on the basis of written solicitation issued to several qualified contractors (at least three) who have adequate qualifications for the envisaged works. The award would be made to the supplier with the lowest price, only after comparing a minimum of three quotations open at the same time, provided that the supplier has the experience and resources to execute the contract successfully. For shopping, the project procurement officer will keep a register of suppliers updated at least every year.

13. Provisions for NCB:

- (i) Each bidding document and contract financed out of the proceeds of the Financing shall provide that: (a) the bidders, suppliers, contractors and their subcontractors, agents, personnel, consultants, service providers, or suppliers shall permit the Association, at its request, to inspect all accounts, records, and other documents relating to the submission of bids and contract performance, and to have said accounts and records audited by auditors appointed by the Association; and (b) the deliberate and material violation of such provision may amount to an obstructive practice as defined in paragraph 1.16 (a)(v) of the Procurement Guidelines.
- (ii) Invitations to bid shall be advertised in national newspapers with wide circulation.
- (iii) The bid evaluation, qualification of bidders, and contract award criteria shall be clearly indicated in the bidding documents.
- (iv) Bidders shall be given adequate response time (at least four weeks) to submit bids from the date of the invitation to bid or the date of availability of bidding documents, whichever is later.
- (v) Eligible bidders, including foreign bidders, shall be allowed to participate.
- (vi) No domestic preference shall be given to domestic contractors and to domestically manufactured goods.

- (vii) Bids are awarded to the bidder with the lowest bid evaluated, proven this bidder is qualified.
- (viii) Fees charged for the bidding documents shall be reasonable and reflect only the cost of their printing and delivery to prospective bidders, and shall not be so high as to discourage qualified bidders.

14. **Note on the procurement of works:** The option of community-based procurement is very seriously envisaged, albeit in full conformity with provision 3.17 of the specific Bank note on Community Participation in Procurement. This provision of the Bank's Procurement Guidelines has been specifically designed to address procurement in community-driven development (CDD) projects. It stipulates that procedures, specifications, and contract packaging shall be "suitably adapted" to reflect the conditions and capacity of the community, provided they are "efficient and acceptable to the Bank." This provision allows flexibility in defining acceptable procedures at the community level. As a general rule, procurement should be designed to:

- Be simple enough as to be understood and implemented by local staff and the community;
- Be sufficiently transparent to permit real competition among suppliers and to facilitate control in the selection of contractors and use of funds;
- Use simple, standardized documentation; and
- Balance risk versus control/management with efficiency considerations.

15. Specific community-based procurement guidelines will be developed during the course of project preparation and presented to the Bank in the draft manual(s) related to works and procurement.

16. **Procurement of Goods.** The Goods to be financed by IDA would include: school kits with school supplies; food, drugs, and nutrition supplements; office furniture and equipment (including IT equipment); office supplies; and so on. Similar Goods that could be provided by the same vendor would be grouped in bid packages estimated to cost at least US\$ 500,000 per contract and would be procured through ICB. Contracts estimated to cost less than US\$ 500,000 equivalent may be procured through NCB. Goods estimated to cost less than US\$ 50,000 equivalent per contract may be procured through shopping procedures. For shopping, contracts will be awarded following the evaluation of bids received in writing on the basis of written solicitation issued to several qualified suppliers (at least three) who have a physical shop of the concerned goods. The award would be made to the supplier with the lowest price, only after comparing a minimum of three quotations open at the same time, provided the supplier has the experience and resources to execute the contract successfully. For shopping, the project procurement officer will keep a register of suppliers updated at least every six months. With prior approval of the Bank, Goods may also be procured through Direct Contracting, using Procurement from United Nations agencies such as UNICEF for purchase and distribution of school kits, and/or by the use of the services of Procurement Agents. The "Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants", dated October 15, 2006 and revised in January 2011, will apply to this project.

17. **Selection of Consultants.** The project will finance Consultant Services such as surveys, technical and financial audits, technical assistance, and supervision of service delivery, trainers, and workshop facilitators. Consultant firms will be selected through the following methods: (a) Quality and Cost Based Selection (QCBS); (b) selection based on the Consultant's Qualification (CQS) for contracts that amount to less than US\$ 200,000 equivalent and are relative to exceptional studies and research which require specific and very strong expertise; (c) Least Cost Selection (LCS) for standard tasks such as insurance and financial and technical audits costing less than US\$ 200,000; (d) Single Source Selection (SSS), with prior agreement of IDA, for services in accordance with paragraphs 3.10–3.12 of the Consultant Guidelines. Individual Consultant (ICs) will be hired in accordance with paragraphs 5.1–5.4 of Bank Guidelines; Sole Source may be used only with prior approval of the Bank.
18. Short lists of consultants for services estimated to cost less than US\$ 200,000 equivalent per contract may be composed entirely of national consultants, in accordance with the provisions of paragraph 2.7 of the Consultant Guidelines, if a sufficient number of qualified individuals or firms are available. However, if foreign firms express interest, they would not be excluded from consideration.
19. For the **procurement of consulting services other than consulting services covered by Consultant Guidelines**, Least Cost Selection (LCS) or shopping will be used.
20. **Training, Workshops, and Conferences.** The training (including training material and support), workshops, and conference attendance will be carried out on the basis of an approved annual training and workshop/conference plan. A detailed plan giving the nature of the training/workshop, number of trainees/participants, duration, staff months, timing, and estimated cost will be submitted to IDA for review and approval prior to initiating the process. The appropriate methods of selection will be derived from the detailed schedule. After the training, the beneficiaries will be requested to submit a brief report indicating which skills have been acquired and how these skills will contribute to enhance their performance and contribute to the attainment of the project objective.
21. **Operational Costs.** Operating costs financed by the project are incremental expenses, including office supplies, vehicle operation and maintenance, maintenance of equipment, communication costs, supervision costs (specifically transport, accommodation, and per diem), and salaries of locally contracted staff. They will be procured using the procurement procedures specified in the Project Financial and Accounting Manual.

D. Assessment of the Agency's Capacity to Implement Procurement

22. The government has proposed to delegate project management, including procurement responsibilities, to the respective Education PIU (UAT-EPT), which has similar experience under previous and recently approved projects financed by the Bank. The agency is experienced with the Bank's procurement procedures.
23. Existing Procurement Manuals were approved by the Bank and are being integrated into a full-fledged Administrative, Accounting, and Finance Manual governing all UAT-EPT

activities and updated to reflect specific project needs. The implementing agency will update the preliminary procurement plans that have already been submitted for the first six (6) months of project implementation.

24. A procurement capacity assessment of the PIU has been carried out (Table 1) and found satisfactory with the following recommendations:

- The Project Implementation Manual will be updated to reflect project specificity.

Table 1: Procurement risk assessment and risk mitigation

Designation	Concerns	Risk Mitigation	Due Date
Establishment of Terms of Reference and technical specifications	Interpretation and formatting of documents coming from technical units	Technical assistance for the Procurement Staff of the PIU	Before program implementation
Program management	Lack of clarity on roles and responsibilities for the new project	Project Implementation Manual to be updated and training to be held at all levels	By effectiveness

Other Mitigation Measures:

25. Apart from identifying the minimum required staffing (one Procurement Specialist with qualifications acceptable to IDA) needed for a procurement unit satisfactory to IDA, no other mitigation measures can be identified at this time. Given that two of the Bank’s procurement specialists are based in Madagascar, however, close supervision and support will be undertaken to propose any additional mitigation measures if and when needed.

26. **Frequency of procurement reviews and supervision.** The Bank’s prior and post reviews will be carried out on the basis of thresholds indicated in Table 2. The Bank will conduct six-monthly supervision missions and annual Post Procurement Reviews (PPRs), with the ratio of post review at least 1 to 5 contracts. The Bank may also conduct an Independent Procurement Review (IPR) at any time until two years after the closing date of the project.

Overall Procurement Risk Assessment:

High	<input type="checkbox"/>
Average	<input checked="" type="checkbox"/>
Low	<input type="checkbox"/>

Table 2: Procurement and selection review thresholds

Expenditure Category	Contract Value	Procurement Method	Contract Subject to Prior Review
	US\$		
1. works	≥5,000,000	ICB	All
	<5,000,000	NCB	First 2 contracts
	<50,000	Shopping / CDD	The first two contracts
	No threshold	Direct contracting	All
2. Goods	≥500,000	ICB	All
	<500,000	NCB	The first 2 contracts
	<50,000	Shopping	The first two contracts
	No threshold	Direct contracting Procurement from UNICEF	All
3. Consulting Firms	≥200,000	QCBS; QBS; LCS; FBS	All contracts
	<200,000	QCBS; QBS; LCS; FBS, CQ	The first two contracts
Individuals	≥100,000	comparison of 3 CVs	All contracts
	<100,000	comparison of 3 CVs	The first two contracts
Firms and Individuals	No threshold	Single Source	All

Note: All terms of reference, regardless of the value of the contract are subject to prior review.

27. All training, terms of reference, and all amendments of contracts raising the initial contract value by more than 15 percent of the original amount or above the prior review thresholds will be subject to IDA's prior review. For contracts with an estimated cost under US\$ 200,000, the short list can be composed of national consultants.

28. All contracts not submitted for prior review will be submitted to IDA for post review in accordance with the provisions of paragraph 5 of Annex 1 of the Bank's Consultant Selection Guidelines and Bank's Procurement Guidelines. Anticipated procurement and retroactive financing are applicable to the project.

29. **Procurement Plan.** All procurement activities will be carried out in accordance with the approved original or updated procurement plan. The procurement plan will be updated at least annually or as required to reflect the actual project implementation needs and capacity improvements. All procurement plans should be published at the national level and on the Bank website according to the Guidelines. Table 3 shows the Simplified Procurement Plan of all three components following the guidelines of OP 8.00.

30. **Procurement Filing.** Procurement documents must be maintained in the project files and archived in a safe place until at least two years after the closing date of the project. Staff

recruited into the procurement unit within the PIU will be responsible for filing procurement documents.

Table 3: Simplified Procurement Plan

Note: (a) The procurement plan for the first 12 months should set forth those contracts that will be subject to World Bank prior review. (b) The procurement plan consists of contracts for consulting services, goods, and works, as applicable. (c) Amounts in the table are in thousands of US dollars.

1	2	3	4	5	6	7
Ref. No.	Contract Description	Estimated Cost	Procurement/ Selection Method	Review by Bank (Prior or Post)	Expected Bid/Proposal Submission Deadline	Expected Contract Completion Date
	<u>Procurement of goods and services</u>					
1a	Procurement and distribution of school kits	6.739	Procurement from UNICEF	prior	01.10.2013	30.09.2014
1b	Procurement and distribution of school kits	4.058	Procurement from UNICEF	prior	01.10.2014	30.09.2015
1c	Procurement and distribution of school kits	4.058	Procurement from UNICEF	prior	01.10.2015	30.09.2015
2	Teacher training printed guides	6	Shopping	prior	01.10.2013	30.09.2014
3	Teacher training printed guides	120	NCB	prior	01.10.2014	30.09.2015
5	Construction: printed guides	10	shopping	post	01.01.2014	30.03.2016
6	Computer network for DREN and CISCO	438	NCB	prior(2)	01.01.2014	30.09.2014
7	Small supplies for the sector plan	6	shopping	post	01.01.2014	30.09.2016
8	Reproduction for AGEMAD	8	shopping	post	01.01.2014	30.09.2016
9	Computers for new UAT staff, LAN cabling, and projection material	47	shopping	prior (6)	01.10.2013	31.12.2013
10	Office equipment: In-office telephones, photocopiers, dry stamp, safe, etc.	29	shopping	post	01.10.2013	31.12.2013
11	Office furniture for new UAT staff	13	shopping	prior ,(6)	01.10.2013	31.12.2013
12	Motorcycles, pick-up, and station wagon	253	NCB	prior (2)	01.10.2013	30.06.2014
	<i>Total goods and services</i>	<i>944.85</i>				
	<u>Procurement of works</u>					
1a	Construction of 200 classrooms	3.000	Shopping/CDD (1)	prior (2)	01.01.2014	30.09.2016
1b				post		
2	Drilling of water supply facilities	344	NCB	prior (2)	01.01.2014	30.09.2016
	<i>Total works</i>	<i>3.344</i>				
	<u>Selection of consultants</u>					
1	Community teacher training: basic skills	80	IC	post	01.10.2013	30.09.2014
2	Community teacher training: basic skills	35	IC	post	01.10.2014	30.09.2015
3	Community teacher training: basic	25	IC	post	01.10.2015	30.09.2016

	skills					
4	Construction of classrooms – fiduciary agency	352	QCBS (4)	prior	01.01.2014	30.09.2016
5	Construction: basic management training, project management tools training, guides, update of manuals	199	IC	post	01.01.2014	30.09.2016
6	Capacity building for DPE, DTIC	113	IC	post	01.10.2013	30.09.2016
7	Capacity building for school card	23	IC	post	01.10.2013	30.09.2016
8	Consultants for the implementation of the sectoral plan	528	IC	prior	01.10.2013	30.09.2016
9	Study AGEMAD	14	IC	post	01.10.2013	30.03.2014
10	Community participation external evaluation	27	IC	Post	01.01.2015	30.06.2016
11	Community participation development school project	160	IC	Post	01.01.2014	30.09.2015
12	Community participation budget transparency and management activities	160	IC	Post	01.01.2014	31.12.2015
13a 13b	Additional staff on basis of consultant contracts	361	IC	prior (3) (post)	01.10.2013	30.09.2016
14	Annual audit	105	LCS (5)	Prior	01.10.2015	30.09.2016
15	External evaluation	20	IC	Post	01.01.2015	30.06.2015
	<i>Total consultants</i>	2.202				

- (1) See note on CDD inserted into paragraph 14 of this procurement annex.
- (2) Prior review since first two contracts on basis of NCB selection procedure in the category procurement of goods and works.
- (3) Prior review for the first two contracts based on IC selection procedure.
- (4) Prior review since first contract is based on QBS procedure.
- (5) Prior review since first contract on basis of LCS procedure.
- (6) Prior review since first contract on basis of Shopping selection procedure.

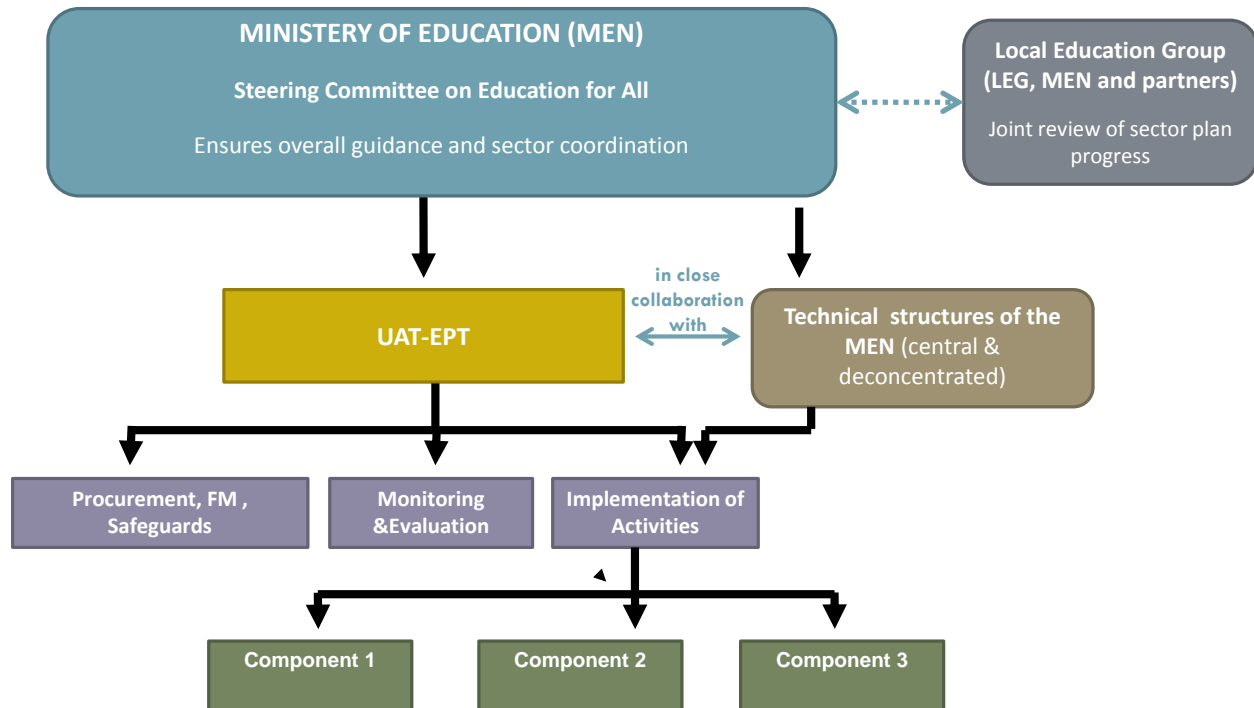
Annex 7: Implementation and Monitoring Arrangements

MG–EMERGENCY SUPPORT TO EDUCATION FOR ALL PROJECT (P132616)

Implementation Arrangements

1. Given the emergency nature of the project, the project’s design, and the fragile country context, the government and its partners agreed that the best strategy for project implementation would be through the existing, well-functioning project implementation unit for the education sector, UAT-EPT, with oversight by the existing Steering Committee on Education for All (SCEFA). SCEFA is chaired by the Secretary General of the Ministry of Education or his designate and includes representatives of the relevant directorates of the ministry. Its role will be to provide overall guidance for effective project implementation and to ensure sectoral coordination and consistency of project activities with sector policies and strategies. This proposed institutional set-up is considered the most appropriate for ensuring effective management and implementation of the proposed operation.
2. Figure 1 gives an overview of the project’s institutional arrangements.

Figure 1: Institutional Arrangements



Overall Sector Coordination

3. **The Interim Education Sector Plan (IESP) is a three year program implemented by the Ministry of Education (MEN).** Strong donor coordination through the Local Education Group (LEG), which meets regularly, and joint reviews ensure that execution of each donor intervention is consistent with the IESP.
4. **Steering Committee on Education for All:** SCEFA has been in place since 2005. It is chaired by the Secretary General of the MEN or designate, with representation by the key stakeholders and entities, such as the Director of Planning, Director of Human Resources, the Director of Basic Education, the Director of Communications and IT, the Coordinator of the UAT-EPT, and a CISCO (school district) representative. Like the Local Education Group, The SCEFA will include representatives from Civil Society Organizations. The role of SCEFA is to: (i) provide overall policy guidance and ensure consistency with sector strategies and priorities; (ii) oversee the implementation of the sector plan, project implementation and approve the annual work plans, procurement plans, and budgets; and (iii) address issues that affect overall project implementation (such as restructuring and reallocation). The SCEFA will meet at least semi-annually to validate the consolidated quarterly reports and once a year to validate the consolidated annual report.
5. **Local Education Group:** The structures for donor, NGO, and government coordination in the education and training sector are well established and have been in place for about 12 years. They provide an effective mechanism to coordinate technical and financial support. Collaboration takes place through the Local Education Group, led by the government, with UNICEF as coordinating agency. The composition and Terms of Reference were revised in June 2012 to include representatives of CSOs and clarify the roles and responsibilities of participants. This group meets on a regular basis, shares information, performs joint supervision missions, and coordinates their sector interventions. The collaborative process of developing the IESP and the proposed operation has contributed to strengthening the dialogue among members. Throughout project preparation, the Bank team has been consulting and collaborating very closely with the sector group to ensure that project activities are complementary to existing or planned donor projects.
6. **Within the Local Education Group, UNICEF fulfills the role of Coordinating Agency (CA) and the World Bank that of Supervising Entity (SE) for the purposes of the GPEF.** As CA, UNICEF takes the lead in coordinating annual joint sector reviews to monitor the implementation of the IESP and ensures the timely commitment and disbursement of funds. The CA also reports on progress in the IESP implementation, including funding commitments and disbursements of all Partners on an annual basis. The CA serves as the primary communication link between the MEN, LEG and the GPE. As SE, the World Bank has been supporting the preparation of the GPE application in collaboration with the GoM. The SE assumes full fiduciary oversight over the GPEF Grant and supervises its implementation by the GoM.

Project Coordination

7. **Project Implementation Unit:** Given the emergency nature of the project and the country context, the government and partners agreed that the best strategy for project implementation would be through a well-functioning, existing PIU. The project will thus be coordinated and supervised by the UAT-EPT, except for part of the school feeding activities, which will be implemented by WFP as project implementing entity through a subsidiary agreement, at least for the first year of the school feeding interventions (for details see Annexes 5–6). The UAT-EPT and the WFP will be under the supervision of and report to the Secretary General of the Ministry of Education. In implementing the activities, UAT will collaborate closely with the relevant technical departments of the MEN at the central and regional levels for all technical aspects, as well as the partners. The close collaboration between the UAT and the MEN and its deconcentrated structures includes the identification of beneficiaries, implementation monitoring and follow up, and reporting. The UAT will be responsible for day-to-day project implementation and monitoring of the three components, including all fiduciary aspects, monitoring and evaluation, and safeguards.
8. **The UAT-EPT has been in place since 2002 and has a good track record in implementing education projects.** Between 2002 and 2005, it was responsible for implementing the IDA-financed CRESED Project, closed in 2005, and more recently has been responsible for the implementation of the Multi-Donor Trust Fund for the Education for All Initiative (EFA-FTI, now GPE), for which the Bank was the supervising entity prior to the crisis in 2009. UAT-EPT also implemented some activities of the previous GPE managed by UNICEF, including some key activities that this operation proposes to finance. The PIU will also be the implementing agency for the education component of the IDA-financed MESEHN.
9. **School feeding activities under sub-component 2.3 will be partly implemented by WFP as implementing entity under a subsidiary agreement** (for more details, see Annexes 5–7), at least for the first year of the school feeding intervention. WFP has extensive experience in implementing school feeding activities in the three targeted regions, and similar agreements with WFP are in place in Mauritania and Côte d’Ivoire for school feeding interventions. WFP is a signatory of the Fiduciary Principles Accord (FPA) between the World Bank and UN entities, according to which it may implement OP 8.00 Project activities financed by the Bank in accordance with its own fiduciary policies.⁴² Though the WFP approach provides temporary relief, its sustainability over the long term and contribution to capacity building and ownership within the community are limited. For this reason, school feeding interventions will be implemented using a dual approach. The share of activities implemented by WFP will gradually decrease over the three-year project to focus on areas that are particularly remote or insecure. In parallel, a program of school canteens, managed by communities through the FAF, will be piloted and scaled up if successful. This dual approach will enable progress toward a more sustainable, community-based school feeding program.

⁴² Recipient and donors confirmed WFP implementation under the Fiduciary Principles Accord.

80. **The acquisition and distribution of school kits under sub-component 1.2 will be implemented by UNICEF as service provider under a delegated management contract.** UNICEF also is a signatory of the Fiduciary Principles Accord (FPA) between the World Bank and UN entities, according to which it may implement OP 8.00 Project activities financed by the Bank in accordance with its own fiduciary policies.⁴³
10. **Fiduciary responsibilities: IDA resources will flow directly to the PIU.** The UAT will open a Designated Account in a commercial bank acceptable to IDA. The financial management experts of the PIU will prepare quarterly and annual financial statements, which will be submitted to the SCEFA for validation. All quarterly financial statements (IFRs) will be sent to the Bank 45 days after the closing of each quarter. Annual financial audits will be conducted by an external auditor acceptable to IDA and in accordance with international auditing standards. Consolidated audit reports will be sent to IDA within six months after the end of the audit period. Financial arrangements will be detailed in the Project Implementation Manual. The PIU will be responsible for procurement for the respective activities, according to World Bank Consultant Guidelines (for additional information on fiduciary arrangements, see Annex 6).
11. **The fiduciary assessments confirmed that the PIU already has the relevant qualified personnel to support the coordinator with fiduciary management, M&E, budgeting, and planning the activities.** The core team of the PIU will consist of the following staff (minimum), which will be maintained throughout the project lifetime: a national coordinator, an internal auditor, a financial management specialist, a procurement specialist, a monitoring and evaluation specialist, two Accountants, a safeguards consultant (part-time), and other appropriately qualified and experienced staff in adequate numbers. Existing staff contracts will be reviewed, amended, and extended as needed to take into account this proposed project by effectiveness, and recruitment of any needed additional staff/new contracts for this new operation will be put in place as required once the project is approved by the Regional Vice President (RVP), in accordance with World Bank procurement guidelines.
12. **This proposed institutional set-up is considered the most appropriate for ensuring effective management and implementation of the proposed operation** and has been discussed with and agreed by the government and the partners.

Fiduciary

13. **Financial Management** functions will be undertaken by the PIU, UAT-EPT, which also manages Component 1 (education) of the IDA multi-sector financing. The PIU will prepare the annual budget for the project components, which will be approved by the the Steering Committee for Education for All (SCEFA). The existing accounting software will be used as a basis for maintaining accounting records and generating financial reports. The PIU will also amend its existing Financial Management Procedures Manual to meet the requirements

⁴³ Recipient and donors confirmed UNICEF implementation under the Fiduciary Principles Accord.

of this project. The respective internal audit department will prepare quarterly reports for submission to SCEFA. An independent external audit firm will be recruited to perform the annual external audit of the project.

14. **Procurement** will be carried out in accordance with the World Bank’s “Guidelines: Procurement of Goods, Works, and Non-consulting Services under IBRD Loans and IDA Credits and Grants by World Bank Borrowers,” published by the Bank in January 2011 and “Guidelines: Selection and Employment of Consultants under IBRD Loans and IDA Credits and Grants by World Bank Borrowers,” published by the Bank in January 2011, and in accordance with provisions stipulated in the Legal Agreement. Competitive selection of NGOs will continue to be based on Quality and Cost Selection, and contracts will be signed with the selected NGOs. The procurement section of the Project Implementation Manual will be reviewed to ensure compliance with applicable guidelines. “Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants,” dated October 15, 2006 and revised in January 2011, will apply. A Simplified procurement plan for each component has been prepared and approved by the Bank (see Annex 6). The plans will be updated at least annually to reflect the most current circumstances.
15. **Disbursement arrangements:** Upon effectiveness of the proposed project, transaction-based disbursements will be used (as is the case for IDA-financed projects under implementation in the Madagascar portfolio). One new Designated Account denominated in US dollars on terms and conditions acceptable to IDA will be created for the implementing agency (UAT-EPT) of the proposed project. The ceiling of the account will be US\$ **X million**. This ceiling is set based on expected disbursements for key activities and will be included in the Disbursement Letter, to avoid issues related to payment delays. To expedite implementation, the proposed operation will have retroactive financing in the amount of US\$ 8 million for project activities included in the project description and incurred on or after August 1, 2013. Payments will be for items procured in accordance with applicable Bank procurement procedures.

Implementation of Project Components

16. **Implementation:** The implementation will be based on tested and well-functioning existing transfer and verification mechanisms. These mechanisms have been carefully evaluated during project preparation, and improvements have been made where necessary to ensure effective delivery of critical interventions to beneficiary populations. With regard to teacher training and the alternative mechanism for the school feeding interventions that will be piloted on a small scale in year 2, feasibility studies will be conducted during the Project preparation phase to identify the most appropriate and effective implementation mechanisms. The implementation arrangements for the three components will be as follows:

Component 1: Facilitating Access to and Retention in Primary Education by Reducing the Costs of Schooling Borne by Families

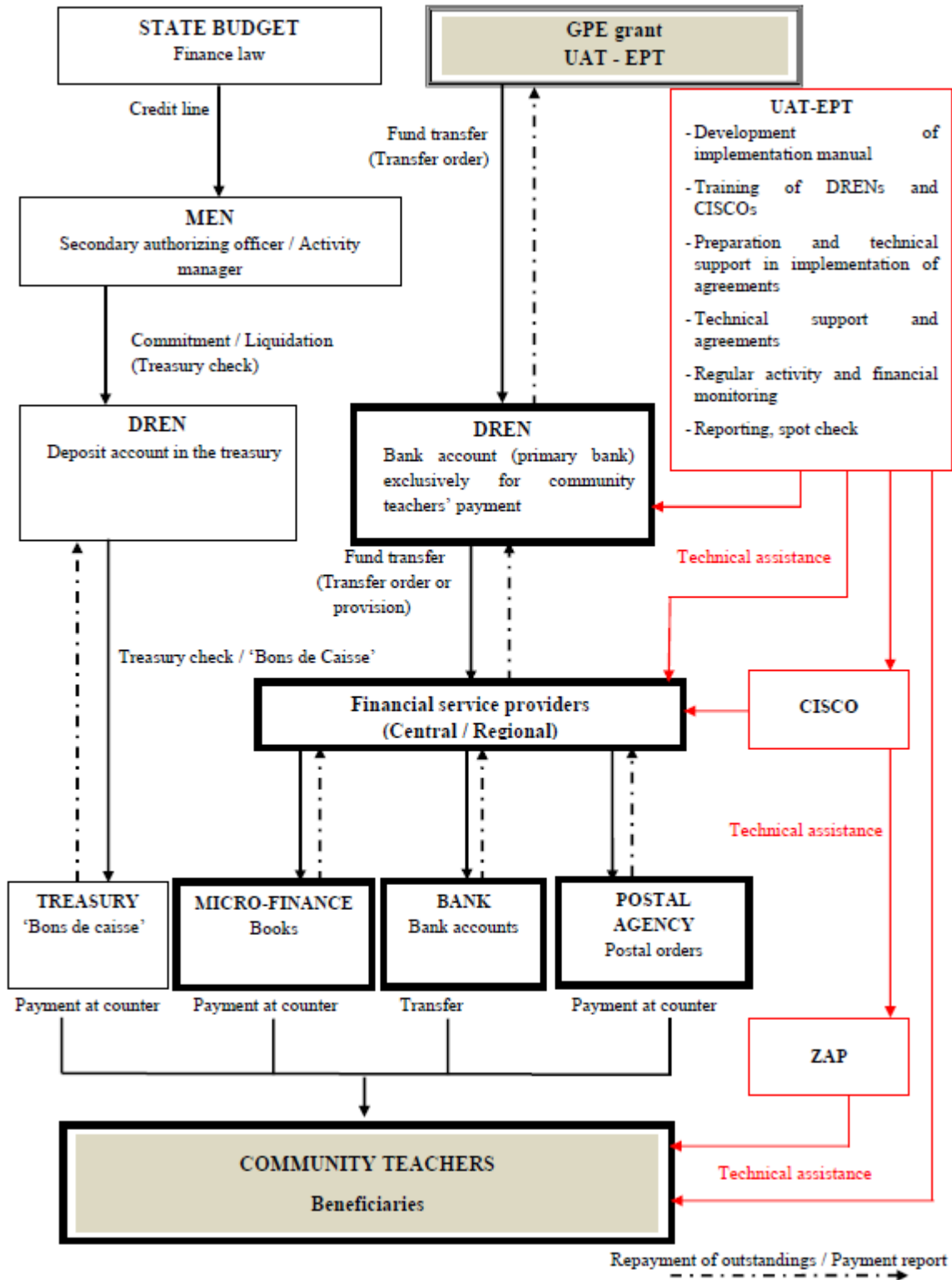
Subcomponent 1.1: Subsidies to Community Teacher Salaries

17. **Recruitment and employment of community teachers at the school level:** Community teachers are locally hired and employed by the parents' association based on criteria recommended by the MEN and under the supervision of the school director, chef ZAP, and chef CISCO. However, teacher salaries are subsidized by the government (in some instances through donor funding, as in this instance with Bank funding). The contract between the parents' association and the community teacher is subject to approval and supervision by the various local/regional levels of the education administration (sub-district/district levels). The contract stipulates that the Ministry of Education will pay a monthly salary subsidy of MGA 110,000 (about US\$ 50).
18. **Verification of teacher lists:** Based on this recruitment process, a list of teachers eligible for subsidies is drafted by the local and regional education administrative levels and submitted, cross-checked, and approved by the central level.
19. **Payment of community teachers** takes place every two months based on a certification of teacher services rendered (*attestation de service fait*), approved by the parents' association and the school director, and then sent to, reviewed by, and consolidated into a final list by the subsequent levels of the administration (ZAP, CISCO, and DREN), which is submitted to and verified by the central MEN, and lastly the PIU. This procedure is followed to ensure a regular, bimonthly updating of the beneficiary teacher list; ensure good governance (for instance, to make sure teachers are still teaching at a particular school for a given period); and prevent errors in the transfer of payments.
20. **Transfer mechanism:** The flow of funds for the community teacher subsidy is shown in Figure 2. The funds for the salaries and social security contributions are transferred from the PIU's Designated Account into the DRENs' special accounts, based on the consolidated and verified list of beneficiary teachers. The DREN then transmits the list for payment to the financial institutions contracted, with which each of the beneficiary teachers has an individual account. It also sends the list to the CISCO level for information. Several different financial service providers are used, based on criteria of accessibility/geographic coverage, performance, and cost. The financial institutions used as service providers consist of regular commercial banks, post offices, and microfinance agencies. The DREN pays social security fees directly to the CNaPS.
21. **Transparency and governance:** The community teachers eligible for the salary subsidy are identified publicly at the school level every two months through the certification of teacher services rendered, which each individual teacher, the school director, and representatives of the parents' association must sign.
22. **The following improvements will be implemented or explored in the first phase of implementation to strengthen the transparency and management of the existing mechanisms:**
 - (a) *Include the beneficiary (the community teacher) in the certification process:* The teacher previously did not participate directly in the certification process. To strengthen the transparency of this process under the proposed project, the implementation arrangements

will require the teacher to sign/initial the certification of services that he or she has rendered.

- (b) *Include information on the teacher's presence in the certificate of teacher services rendered*—specifically, the number of days the teacher was present at the school and reasons for any absences.
- (c) *Publicly identify community teachers receiving the salary subsidy*: A list of the teachers and/or a copy of the certificate of teacher service rendered will be posted in a publicly accessible space at the school.
- (d) *Train parents' associations in the teacher accountability process* to ensure they understand their critical role in this process.

Figure 2: Flow of Funds for Community Teacher Subsidy

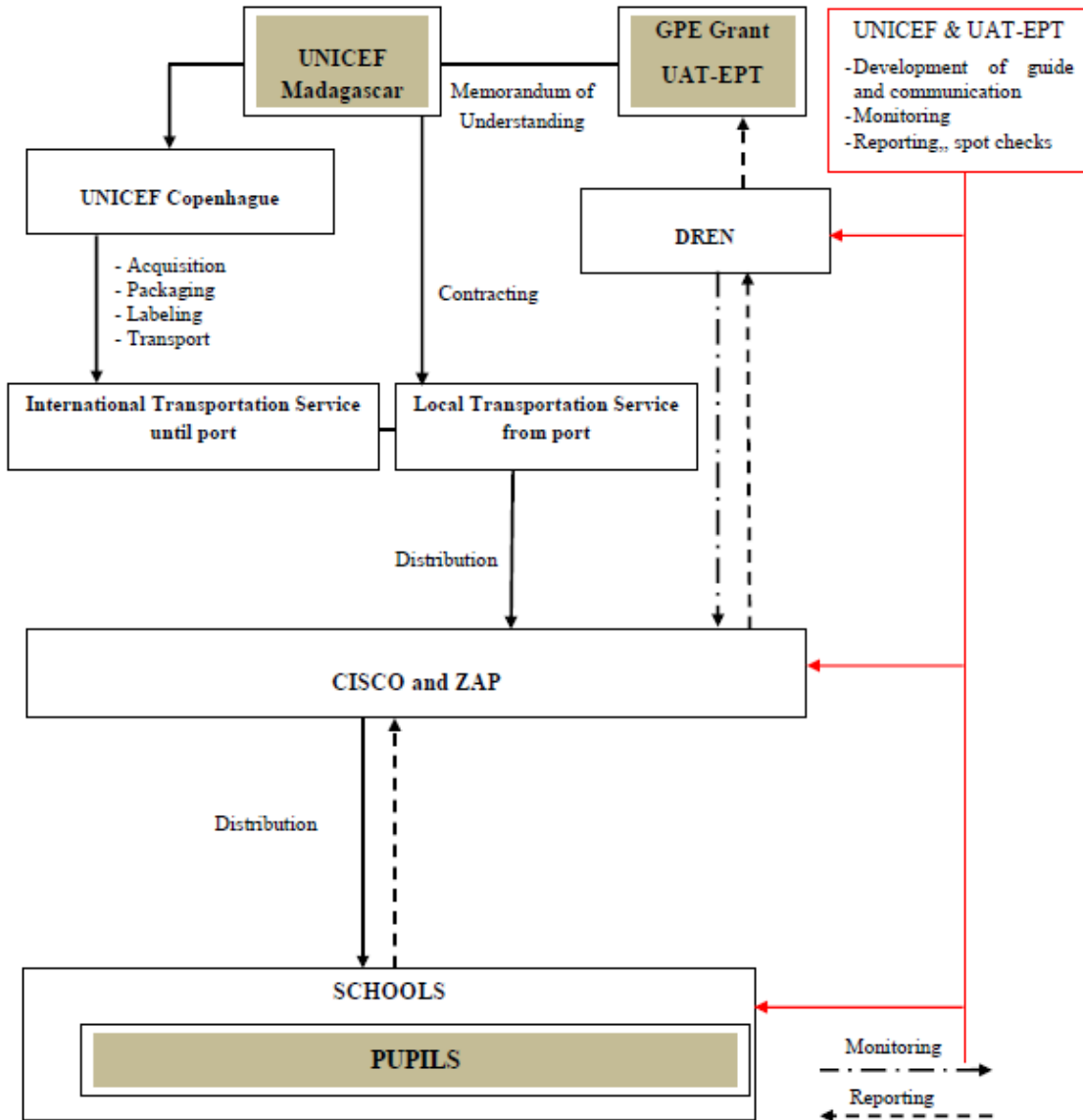


Subcomponent 1.2: Provision of School Kits

23. **Scope:** The project will finance school kits for primary school students grades 1 through 5 (CI through CM2) in 12 of the 22 regions and thus reach approximately 1,717,854 students.
24. **Kit content:** The detailed technical specifications for the content of the school kits are being prepared by experts within the UAT based on previous experiences. The content of the kits will vary by grade level to ensure that the materials provided are relevant and consistent with the curriculum. The kit will contain both consumable items such as writing paper and items such as rulers that can be used for some time.
25. **Acquisition and distribution:** Under a delegated management contract, UNICEF will be responsible for acquiring the school kits based on the agreed upon content and quantities and delivering them to the CISCO level, where there is sufficient storage capacity. The CISCOs will then distribute the kits through the MEN administrative chain to the ZAPs, which will deliver kits to schools, where they will be distributed to students.
26. **Specific governance safeguards with regard to school kits include:**
 - (a) *The technical specifications of the kits* will include identification of at least the non-consumable items to prevent their sales in markets.
 - (b) *The procurement and supply chain will be closed to the maximum possible extent* to avoid non-conformity at time of delivery. A reception or pre-shipment inspection will be organized at the premises of the supplier prior to every shipment to Madagascar. This will allow for immediate replacement or completion of the kits in case of non-conformity, mistakes, or omissions. Upon arrival, a reception will be carried out by the UAT and/or a reputed third-party inspection agency. The basis of this conformity check will be the technical specifications, which will be completed at the time of contract signature, and a sample of the products to be delivered.
 - (c) *A similar approach will be applied to organize the distribution and warehousing* once the kits have arrived in country. Supply conditions will stipulate, to the maximum possible extent, that the supplier pre-label all boxes, indicating type of kit and the CISCO, ZAP, and school of final destination. Labeling will shorten the distribution time considerably and reduce the risk of errors if assembly or re-assembly of kits should occur during distribution. All boxes will have a numbered barcode that will be identified (scanned) at every phase of the distribution process. Software for follow-up will be procured and, in addition to the necessary information on available and distributed kits, will also generate the necessary information for monitoring and evaluation.
 - (d) *Transport to the final beneficiaries will be organized in advance* and in such a way that it allows for a completely transparent distribution of the kits, thereby ensuring that spot-checks or audits can take place on random basis, at any point/time. These checks can take place at every stage of the distribution process and will also include the possibility for ex-post checks in the schools themselves.

(e) In summary, there will be three complementary approaches to monitoring and reporting the receipt of school kits: (i) electronic monitoring and verification via barcode; (ii) parallel hard copy documentation by the Ministry of Education at different levels of the administrative chain involved in distributing the kits; each level will execute its traditional stock and distribution administration and thereby create an opportunity to verify and double check the kits supplied; and (iii) spot checks at randomly selected schools during field visits.

Figure 3: Implementation Arrangements for School Kits



Component 2: Supporting the Learning Process by Improving the Teaching and Learning Environment

Subcomponent 2.1: Community Teacher Training in Key Basic Competencies

27. **Objective:** This subcomponent targets community (FRAM) teachers in primary schools, whose competencies are in particular need of strengthening. The objective is to deliver training activities directly to individual teachers.
28. **Overall implementation strategy:** The program will unfold in three successive phases: (i) diagnostic and preparatory phase; (ii) implementation of activities; and (iii) evaluation.
29. **Phase 1 - Diagnostic and preparatory phase:** During this initial phase, a more in-depth analysis of the existing teacher training system for primary education will be performed to ensure the most appropriate design of the training activities and approaches, to adequately prepare the key actors concerned, and to design a relevant evaluation system. In view of the considerable number of actors to be trained, this first phase will consist only of training the trainers (that is, master trainers).
30. **Phase 2 – Implementation of activities:** The training activities will have three critical aspects. First, a one-time in-service training will be held to upgrade or develop basic competencies among community teachers currently teaching in schools. Second, a system of in-service teacher training and support by proximity through school directors and teacher peer networks will be rolled out. Third, overall pedagogical support and supervision will be strengthened. Each aspect is discussed in detail in the sections that follow.

(a) Development of basic competencies of community teachers

31. Approximately 10,000 community teachers working at schools in the 12 target regions will benefit from a six-week training course held during school holidays. This in-service training will: (i) reinforce their academic knowledge of French, Malagasy, and mathematics; (ii) develop basic pedagogical competencies to prepare and execute a lesson, assess students, manage the class (large class sizes and multi-grade classes), and use textbooks as part of the lesson.
32. Training will take place in two waves of 7,500 and 2,500 teachers in years 2 and 3 of the project and will follow a cascading approach. Prospective master trainers will be selected among the teacher training instructors of the INFP, among each CISCO's pedagogical counselors, and the sub-district officers (chefs ZAP). During training, these master trainers will receive a guide book. Once trained, they will proceed to train other chefs Zap, CISCO pedagogical counselors, and school directors.

(b) Progressive roll-out of a system of in-service teacher training/support by proximity

33. The subsequent establishment of an in-service teacher training/support system will rely on two pillars:

- (i) *School directors* are the principal actors in the training of and support to teachers in primary schools. Therefore, about 8,000 school directors in the 12 target regions will be trained in two successive waves of 4,000 each in year 2 and 3 by the master trainers trained as part of the teacher training (see above). The director training will concentrate on training delivery and approaches; on provision of pedagogical support and evaluation at the school/classroom level; and the mastery of basic community teacher competencies.
- (ii) *Teacher peer networks* will complement the role of the school director by further developing networks of teachers (which already exist in Madagascar) and provide peer-to-peer training, sharing of best practices, and pedagogical innovations. This activity will be implemented as a pilot in a selected number of districts by NGOs, which will (i) organize and facilitate teacher meetings; (ii) provide capacity building for the further establishment of these peer networks; (iii) ensure monitoring and reporting; and (iv) provide grants/subsidies to the networks for operational costs. A subsidy of US\$ 100 will be given to each teacher network for operational costs. Fund transfer will be done through the school management committee (FAF) of targeted schools in addition to the school grants. The MEN and the CISCO will clearly communicate the use and beneficiaries of the fund to the FAF. This subsidy will facilitate the development of tools, recourse to specific competencies and expertise outside the network, and the organization of meetings and regular workshops. The finance unit of the CISCOs will supervise the fiduciary aspect of these activities of these networks, while school directors and chefs Zap will support and supervise the pedagogical aspects of the teacher network activities. Several teacher networks will be supported on a pilot basis during year 1, and the program will be evaluated. Based on the results, the financial and technical support to the teacher networks will then be scaled up to a greater number of clusters in years 2 and 3.

(c) Strengthen pedagogical support and supervision

- 34. The objective of this activity is to strengthen the capacity of the overall teacher training system in the areas of pedagogical support and evaluation/assessment. For this purpose, a new pedagogical support and supervision process at the deconcentrated levels will be developed, which will revolve around the pedagogical counselors at the CISCO level, the chefs Zap, and the school directors, who will receive specific training and tools.
- 35. **Phase 3 – Evaluation:** Each training activity will be evaluated to assess the absorption capacity of the system, to adjust training programs, and (if needed) to set new objectives.

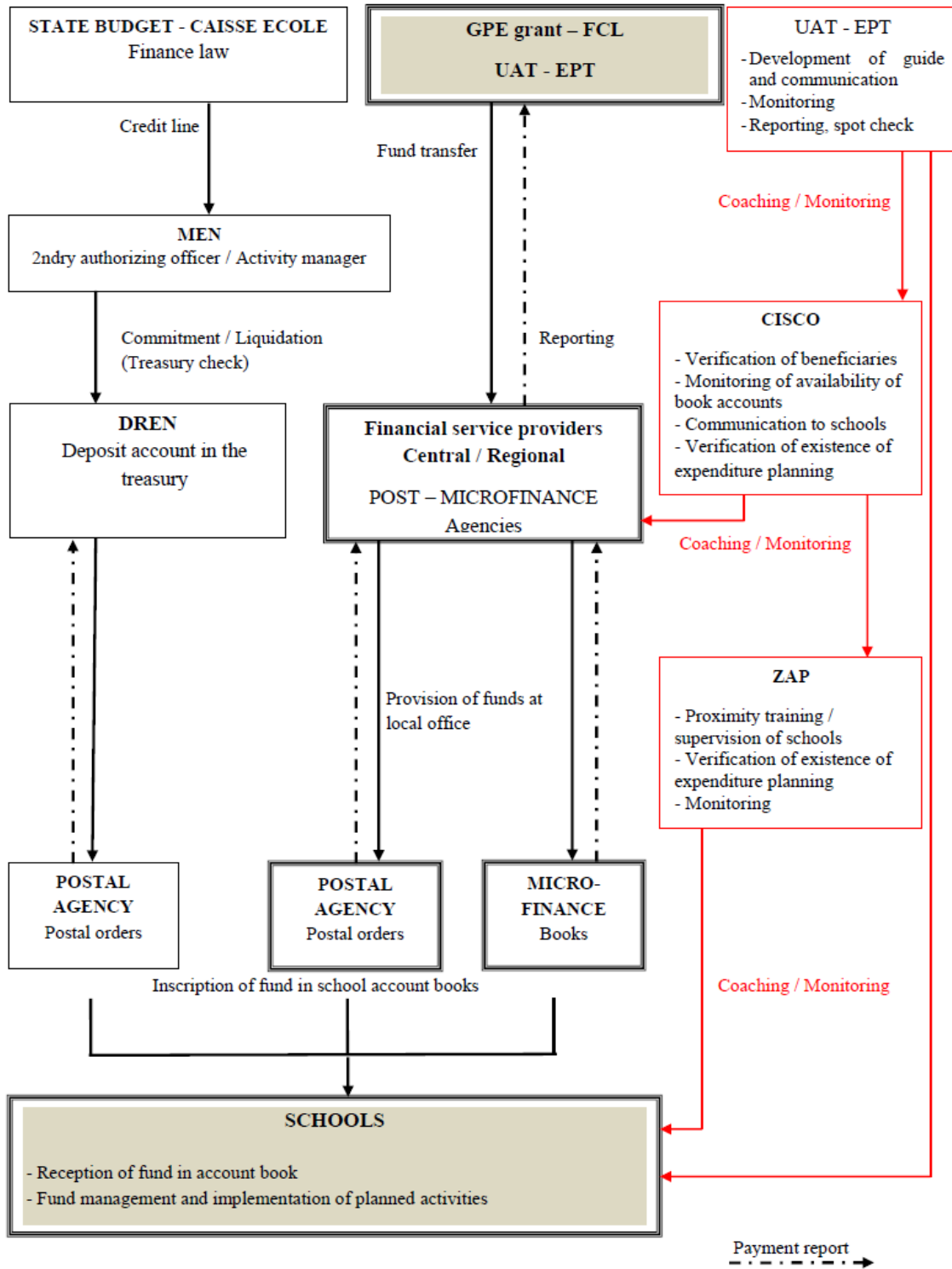
Subcomponent 2.2: Top-up to School Grants

- 36. The project will fund a top-up to the school grants that the MEN will continue to pay to all of the public primary schools in the 12 project regions. The implementation arrangements for the school grants are indicated in Figure 3.

37. **The purpose of these grants is to:** (i) provide schools with small annual funds for operational expenses for facility maintenance, acquisition of basic learning supplies (such as chalk, notebooks, and so on), which otherwise would have to come from parents, and (ii) fund activities of the annual school action plan.
38. **Allocation formula:** The grant amount is allocated to schools based on school size (number of pupils). The average supplemental grant amount funded by the subcomponent is US\$ 200 per school for small schools, US\$ 250 per school for medium-sized schools, and US\$ 300 per school for large schools.
39. **Verification of schools:** The prepares the list of beneficiary schools based on its Education Management Information System (EMIS) and lists of closed and opened schools compiled by the DREN. The UAT makes a direct transfer of the grant amounts to the financial service providers (post offices, banks, and microfinance institutions) at the regional level. The grant is then transferred to each school management committee's individual account.⁴⁴
40. **Eligible expenditures and financial reporting:** The school-based management committee makes use of the funds based on a list of eligible and non-eligible expenditures. Each year, school management committees prepare expenditure plans, which have to be publicly endorsed by the General Assembly of the committee, approved by the ZAP, and submitted to the CISCO. At the end of the school year, schools prepare expenditure reports. Their conformity with their initial expenditure plans is reviewed by the heads of ZAP and CISCO.
41. **Transparency and governance:** The following improvements will be implemented or explored in the first phase of implementation to strengthen the transparency and management of the existing mechanisms:
- *Posting the grant amount and list of eligible expenditures* at each school in a publicly accessible space.
 - *Training school-based management committees in the use/management of school grants* to make sure they understand their responsibilities in this process and can perform simple financial management.

⁴⁴ The school management committee has representatives of the parent association and community and the school principal.

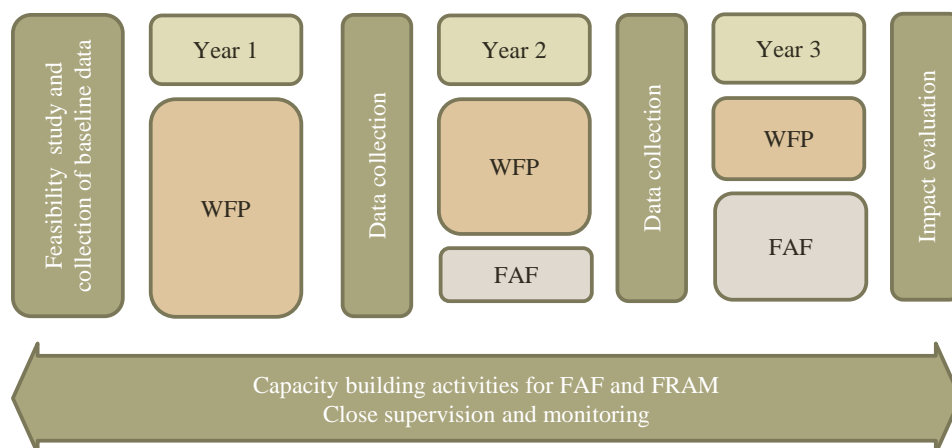
Figure 3: Implementation Arrangements for School Grants



Subcomponent 2.3: School Feeding Activities

42. **Implementation strategy:** Currently, the WFP predominantly implements school feeding in three food-insecure regions in the South—Atsimo Andrefana, Androy, and Anosy—particularly during the dry season. Though this approach provides temporary relief, it is costly and not sustainable over the long term. In addition, there is little capacity building and ownership of the community, notably school management committees (FAF). Therefore, the school feeding interventions under the proposed project will be implemented using a dual approach. The project will finance a decreasing share of activities implemented by WFP over the three-year project period, progressively to be limited to areas that are particularly difficult to access, either because of remoteness or insecurity. In parallel, a program of school canteens managed by communities through the FAF will be piloted and scaled up if proved successful. This dual approach permits incremental movement toward a more sustainable, community-based school feeding program, as communities (with the appropriate technical support and supervision) strengthen their capacity to organize and implement school feeding activities.
43. **School canteen pilot:** Community-based school canteens will be financed through a top-up to the grants allocated to school committees, which will be responsible for ensuring that the meals provided to children comply with the norms and regulations set forth by the . A feasibility study will be carried out prior to the start of the activities to detail further key aspects of the pilot, including: (i) the areas where community-based school canteens will be piloted; (ii) the content and mode of delivery of capacity-building activities for FAF and FRAM; and (iii) the design of the evaluation tools, including the collection of baseline data. Close supervision will be maintained during implementation to ensure that the funds are used for the intended purposes and that communities are provided with adequate support to help them manage the school canteens. Figure 4 illustrates the implementation strategy.

Figure 4: Overview of Implementation Approach for School Feeding Activities

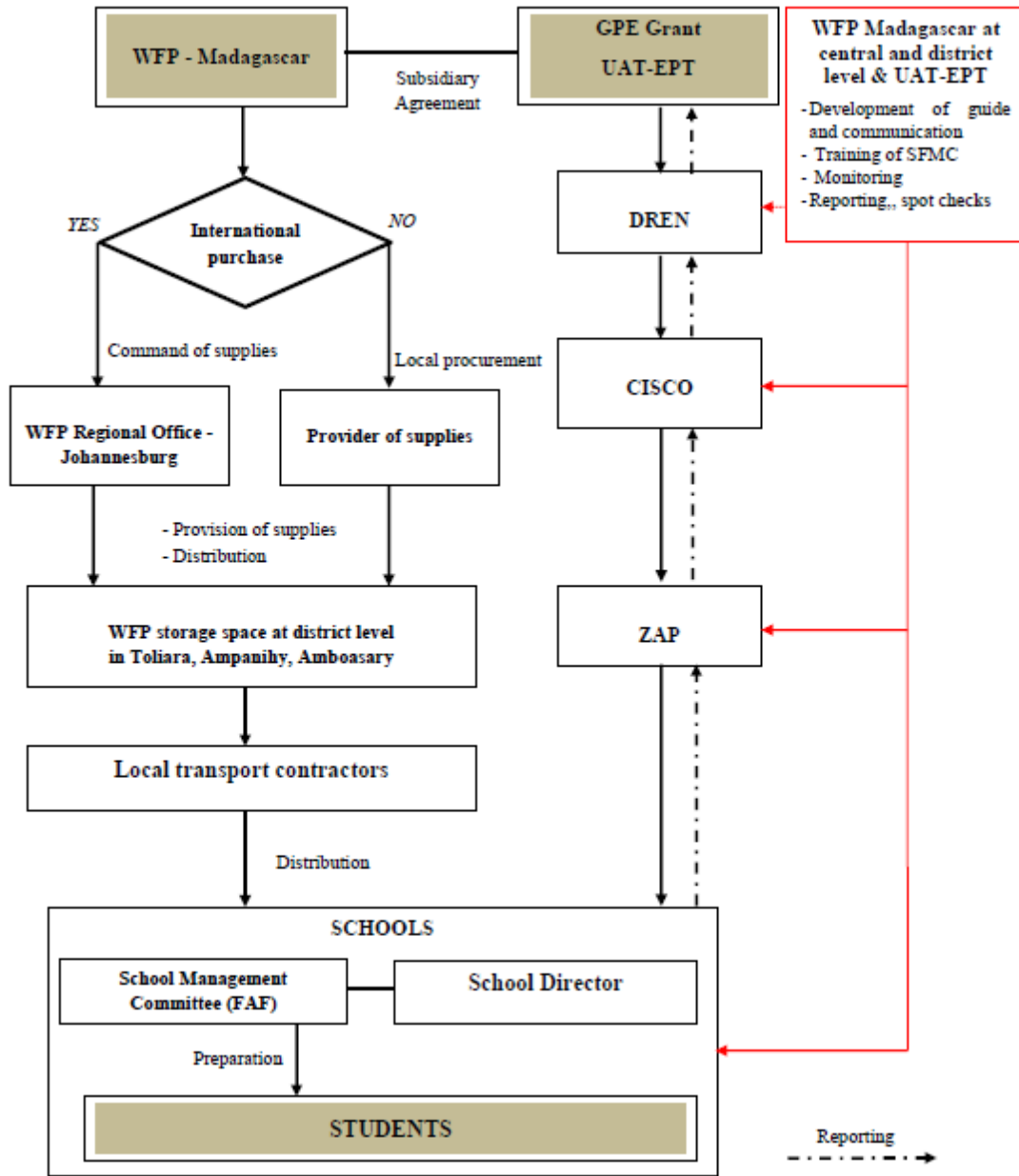


44. **Timeline:** More specifically, during the first year, the WFP would continue to coordinate the complete school feeding program in the respective schools, while a number of pilot FAF would be trained to take over the organization of school feeding activities in their schools in

year 2, with the support of the WFP. In year three, an even greater number of school management committees would be empowered to manage their own canteens.

45. **Implementation entities and arrangements:** The school feeding activities will be partly implemented by WFP as project implementing entity under a subsidiary agreement. Under this agreement, WFP will be responsible for: (i) directly implementing the school feeding program in year 1 in all targeted schools and in year 2 and 3 in part of the targeted schools (to be determined by the feasibility study), i.e., acquisition and distribution of food; (ii) provision of training/capacity building of local school associations such as FRAM and FAF.
46. **Financing:** A top-up of the school grants would finance the school feeding provided and organized by the school community. This approach has the advantage of using an existing and well-functioning mechanism to channel funds to the management committees at the school level.
47. **Reinforcement of community capacity and resilience:** To enable FAF to begin taking responsibility for school feeding and gradually completely organize and run their own programs, an intensive training and on-site support program will be designed and undertaken with technical assistance from WFP. This would also include the local administrative support structures of the MEN, the chefs Zap, and CISCO.
48. **Evaluation:** As part of the project activities, an evaluation of both implementation approaches (through WFP directly and the FAF/FRAM) will be undertaken to assess the impact of the school feeding interventions on school attendance and several other indicators, assess the costs, and specify the lessons learned from the experience.

Figure 5: Implementation Arrangements for School Feeding Activities



Subcomponent 2.4: School Infrastructure Improvement

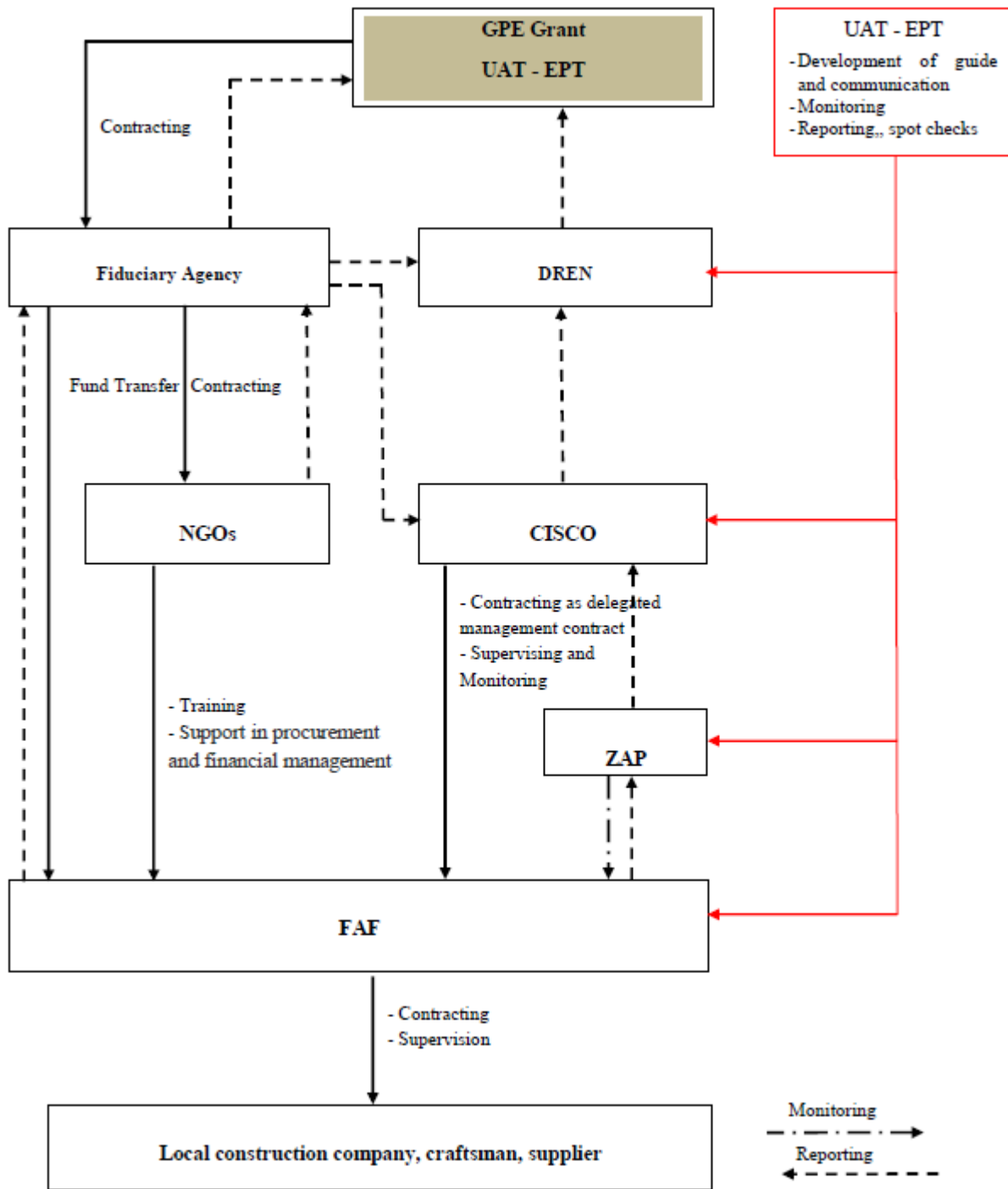
49. **The objective is to finance the rehabilitation or construction of 200 classrooms with adequate latrines and water access in targeted schools in the 12 regions.** The individual facility package for each school will be comprised of a 2-classroom block, 2 latrine blocks (one for each gender), and a water point if the school is not yet equipped with one.
50. **The strategy proposed is based on experience.** In the IESP, the MEN proposes using a “local community empowerment” approach similar to the best-performing school construction approach adopted over 2007–08, which will integrate the recommendations made by the UAT ex-post evaluation.⁴⁵ The local community empowerment approach is aligned with the Ministry of Education’s 2007–15 School Construction Strategy supported by all partners. It has already been successfully tested, evaluated, and recognized as the most cost-effective and feasible in the current context. In addition, it constitutes an appropriate support to communities whose involvement was significantly increased during the crisis and would reinforce community ownership of the school. Participating communities will be targeted on the basis of specific and transparent criteria. In addition, Bank experience in other countries shows that community empowerment approaches have proven efficient mechanisms to quickly deliver basic infrastructure in post-crisis or post-disaster situations.
51. **More specifically, local community empowerment will be based on key actors:** (i) the decentralized regional levels (CISCO); (ii) local administrative levels (chef ZAP, school director); (iii) local community school association (FAF); (iv) the fiduciary agency(ies) at the central level; (v) the UAT at the central level; and (vi) consultative committee at the central level. Figure 6 depicts the involvement of these actors in implementing improvements in school infrastructure.

Deconcentrated regional and local administrative levels

- *CISCOs will be the deconcentrated entity to sign Financial Agreements with targeted communities to finance their school construction projects.*
- *The local representatives of the CISCO, i.e., the chefs ZAP and school directors, will be responsible for monitoring and reporting to the MEN on the progress of works, and they will participate in the provisional and final reception of the works together with the FAF, the mayor, and the implementing agency.*

⁴⁵ Rapport d’évaluation de l’implémentation de la nouvelle stratégie de construction scolaire à travers l’exécution du programme de constructions scolaires 2008–2008, UAT-EPT, MEN, 2012.

Figure 6: Implementation Arrangements for School Infrastructure



(b) Local school management committee (FAF)

- *Beneficiary communities, i.e., the FAF*, will sign a Financial Agreement with their respective CISCO and will be responsible for the day-to-day management of their school construction projects. This responsibility includes (i) procurement of works and furniture and on-site supervision of technical services; (ii) financial management (including bank account management and payment of service providers); (iii) performing the final approval of the works together with the mayor, CISCO, and ZAP; and (iv) progress reporting.

(c) Central level

- *Fiduciary Agencies (FAs)* such as the Social Fund, FID will (i) recruit service providers to provide training and support to the school committees in procurement and financial management; (ii) serve as the entity through which grants are channeled to communities; (iii) assist them during the subproject cycle; and (iv) report monthly on the progress of all activities to the CISCO and Ministry of Education.
- *The UAT* will continue to serve as the overall technical implementing agency of the MEN, given its extensive experience with implementation and supervision of school construction activities. It will be responsible for the following activities: (i) adapt the relevant sections of the operations manual and adjust the training tools for community trainers and standard bidding documents for community-based procurement, according to the suggestions made by the UAT itself in the 2010 evaluation report, and (ii) support the Ministry of Education directorates of planning and construction in the overall planning, monitoring, and evaluation of the subcomponent.
- *Consultative Committee*: The MEN has decided to revive the Consultative Committee, an ad hoc technical body set up in 2007 for harmonized, participatory development of donor support for the School Construction Strategy (for instance, adoption of a harmonized and common menu of norms and standards, including school standard drawings).

52. **Scope and targeting:** School infrastructure will be improved in the 12 primary target regions of the Project. CISCOs and participating communities will be selected on the basis of pre-determined, transparent, and objective criteria.

53. **Activities to be financed by the Project under this component are:** (i) grants to communities; each grant will cover the estimated cost of the works, furniture, and technical services for site control/supervision, and some operational costs to cover community expenses to manage the grant; (ii) technical services of fiduciary agencies, and evaluations; and (iii) operational costs for monitoring.

54. **Cost and financing:** Unit costs of community grants are estimated, on average, at the equivalent of US\$ 250 (2012). The individual cost will be adjusted by a coefficient based on

community accessibility, according to existing accessibility classifications and previous experience of cost variations.

55. **Evaluation and communication:** Periodic evaluations of the subcomponent will be conducted through community scorecards. Mid-term and end-of-project evaluations will include the following: (i) a technical audit; (ii) ex-post procurement reviews; and (iii) an assessment of grassroots management capacities/skills acquired by communities. In addition, communication activities will be developed.

Component 3: Strengthening the foundations of the primary education system by rebuilding stakeholders' capacity and improving community participation and transparency

56. The activities of this component will be implemented by the PIU and the respective technical staff of the Ministry of Education at the central, regional, and local levels, as well as NGOs for selected training activities, and consultants for analytical work and communication activities.

Results Monitoring and Evaluation Arrangements

57. **Framework:** A results monitoring and evaluation framework has been prepared and agreed upon with the government and the external partners. The results framework in Annex 2 defines the baseline and the targets to assess the progress made toward achieving the project development objectives.
58. **System:** The PIU, in close collaboration with the Directorate of Planning in the MEN and other core technical departments, will be responsible for M&E activities. The respective CISCOS will be feeding the process with the necessary information and data from the field.⁴⁶
59. **Capacity strengthening for data collection and quality:** The project will support the strengthening of EMIS, especially at the regional level, to ensure better collection and use of data for decision making. To the extent possible, data collected will support the annual and periodic implementation progress reports of the project and also support the development of the full sector plan.
60. **Supervision, monitoring, and evaluation of activities:** Regarding the subsidies to community teacher salaries and the support to school grants, the PIU (UAT-EPT) will be responsible for transferring funds to financial institutions, monitoring payment, verifying reports made by the financial institutions, and reporting to the Ministry of Education. Unannounced spot checks of schools will also be carried out. Unannounced spot checks will also be performed for school kits to supplement the electronic tracking system used with the kits (see the implementation arrangements for Component 1 for more details). The following supervision and monitoring mechanisms and operational audits will ensure that

⁴⁶ For example, the school census data are entered at the CISCO level.

services are delivered effectively: (i) supervision and unannounced spot checks by the PIU (for example, by the internal auditor); (ii) third-party verification through NGOs (including interviews with beneficiaries and the school community); (iii) the parents' association (which will receive training in the procedures of and roles in the teacher certification process) and/or school management committees (which will receive training in the management of school grants); (iv) regional and local structures of the Ministry of Education; and (v) as part of the external audits for the project. Periodic evaluations will be conducted for each of the activities under the component.

61. **Activity and impact evaluations:** Each of the project activities will be evaluated periodically to ensure implementation is on track, the results are achieved, and the impact of the interventions is captured, as well as to provide lessons learned and inform further project implementation. In addition, impact evaluations of specific interventions will be explored to inform policy decision making.
62. **Reports:** Progress reports will be prepared twice a year on the status of program implementation and outcomes as well as updated data on project performance indicators. Evaluations of activities, beneficiary surveys, and specific analytical work will be carried out periodically to measure the project's impact on beneficiaries and the efficiency of service delivery.
63. **The M&E system agreed with the government and other donors will be based on two main elements:** (i) agreed indicators for monitoring and (ii) Joint Program reviews.
64. **Agreed indicators for monitoring.** The indicators cover the three project components and are included in the results framework in Annex 2. Due to the difficult and uncertain overall situation in the country as well as the relatively short timeframe of only three years for the project, the indicators selected are output indicators rather than outcome indicators. In addition, because the latest available demographic survey is out of date, demographic data on the school-age population (the denominator of many key education indicators, such as the primary completion rate) are unreliable. The indicators are in line with the main pillars and activities of the IESP financed by the project, but absolute numbers are used instead of percentages in some instances. *The results framework has been discussed and agreed upon with the government and the Local Education Group.*
65. **Supervision missions and Joint Annual rProgram Reviews.** Supervision missions and other project activities will be carried out jointly with the other donor partners and the government. As part of the overall education program, the government will organize once a year a joint review to assess progress made, both in the project as well as the education program as a whole. The joint annual review will be organized by the government and involve all donor partners and NGOs active in the education sector. Its main objectives will be to review and approve the action plan for the year ahead and take stock of the achievements of the previous school year. The review would thus jointly assess and evaluate the Project's technical and financial performance, assess the implementation of education policies, and provide recommendations for improved implementation. An aide-memoire will be prepared and signed between the government and donor partners. The government will

prepare and submit an annual implementation report of the program to donors in time for the Joint Review meeting. The Bank will also carry out two implementation support missions annually, one of which would be organized to coincide with the Joint Annual Review meeting to facilitate and harmonize this evaluation process.

Annex 8: Project Preparation and Appraisal Team Members
MG–EMERGENCY SUPPORT TO EDUCATION FOR ALL PROJECT (P132616)

Team Composition				
Bank Staff				
Name	Title	Specialization	Unit	UPI
Fadila Caillaud	Senior Education Economist	Task Team Leader	AFTEE	332097
Noroso V. Andrianaivo	Language Program Assistant	Language Program Assistant	AFTEW	156788
Helene Bertaud	Senior Counsel	Senior Counsel	LEGAM	231602
Joseph Byamugisha	Financial Management Specialist	Financial Management Specialist	AFTMW	352814
Wolfgang Chadab	Senior Finance Officer	Senior Finance Officer	CTRLA	15321
Paul-Jean Feno	Senior Environmental Specialist	Senior Environmental Specialist	AFTN1	279344
Cornelia Jesse	Operations Officer	Operations Officer	AFTEE	268403
Sylvain Rambelison	Senior Procurement Specialist	Senior Procurement Specialist	AFTPE	181839
Lalaina Rasoloharison	Program Assistant	Program Assistant	AFCS4	351140
Harisoa Danielle Rasolonjatovo Andriamihamina	Education Specialist	Education Specialist	AFTEE	365539
Awa Sanou	Junior Professional Associate	Junior Professional Associate	AFTOS	401510
Shilpa Challa	Consultant	Consultant	AFTEE	243921
Axelle Latortue	Consultant	Education	AFTEE	155669
Nelly Rakoto-Tiana	Consultant	Education	AFTEE	418223
Jean Van Eenaeme	Consultant	Education	AFTEE	248015
Serge Theunynck	Consultant	Education	AFTEE	95309
Jean-Emmanuel Bui	Consultant	Education	AFTEE	372770

Annex 9: Environmental and Social Safeguards Assessment Framework
MG–EMERGENCY SUPPORT TO EDUCATION FOR ALL PROJECT (P132616)

I. INTRODUCTION

1. **As permitted under OP/BP 8.00, Rapid Response to Crises and Emergencies, an Environmental and Social Screening Assessment Framework (ESSAF) has been developed to support the Madagascar Emergency Support to Education for All Project.** The ESSAF is consistent with Bank operational policies and procedures, investment operations subject to OP/BP 8.00, Rapid Response to Crises and Emergencies, and the guidance note for crises and emergency operations for application of Bank safeguard and disclosure policies. This ESSAF provides general policies, guidelines, codes of practice, and procedures to be integrated into the implementation of the Madagascar Emergency Support to Education for All Project. This Framework has been developed to ensure compliance with the World Bank’s safeguard policies at the beginning of the implementation of the project; its provisions will be replaced with the two safeguards instruments (ESMF, RPF) to be adopted three months after the effectiveness of the project. More specifically, the ESSAF addresses the following issues: (i) minimizing environmental pollution risks; (ii) avoiding environmental degradation as a result of either individual subprojects or their cumulative effects; (iii) protecting human health; (iv) preventing or compensating any loss of livelihood; and (v) enhancing positive environmental and social outcomes.

II. PROJECT CONTEXT

2. **Dramatic budget reductions in the education sector have led to a significant deterioration in basic service delivery, which has increased the vulnerability of communities that are already very poor.** If emergency assistance is not provided, this alarming situation in the education sector is expected to worsen, posing a further danger to social cohesion. In the current country context, the cost of inaction in the education sector is high and already disproportionately affects the poorest and most vulnerable quintiles of the population. This temporary crisis will, in fact, permanently affect the potential of the country’s human capital and will limit the impact of future poverty reduction interventions.
3. **The proposed activities contribute directly to achieving the strategic goals of the GPE over 2012–15, namely:** (i) access for all; (ii) learning for all; (iii) reaching every child; and (iv) building for the future. In addition, the design of the proposed Grant embeds core principles of the GPE, including country ownership, by fully aligning with the Interim Education Sector Plan (IESP), promoting strong coordination between partners, focusing on the most efficient approaches to achieve measurable results, promoting transparency and stronger accountability, and using country systems to the extent possible. The proposed Grant, together with other domestic and externally funded programs and projects, constitutes an effective program to achieve the objectives of the IESP and will contribute significantly to rebuilding the primary education system in Madagascar.

4. **The Project Development Objective (PDO) is to preserve access to primary education and improve the teaching and learning environment in targeted areas in the recipient's territory.**
5. **The proposed Grant to the Republic of Madagascar for an amount of US\$ 85.4 million is targeted to 15 regions to ensure complementarity and avoid overlap with other interventions in support of the implementation of the IESP.** Regional targeting will also facilitate implementation and supervision of the project.
6. **The proposed operation will have the following three components:**

Component 1: Facilitating access to and retention in primary education by reducing the costs of schooling borne by families. This component, which complements interventions by other donors, addresses demand-side constraints in access to schooling by mitigating some of the negative effects of the crisis on the financial ability of households to access education services. About 1,717,854 primary aged children and approximately 21,635 community teachers in all public primary schools and in selected community primary schools in 12 targeted regions (about 11,092 schools) will benefit from this component's support of the following two activities:

1. **Subsidies to community teacher salaries.** To cope with rapidly increasing enrolment in primary education, which grew from 2.4 million in 2001 to 4.31 million in 2010, the government decided in 2002 to subsidize on a large scale the payment of community (non-civil-servant) teachers hired locally and originally financed by parents' associations.
2. **School kits.** This subcomponent will finance the provision of school kits containing basic essential school supplies for primary school students in public and selected community schools in 12 regions (a total of approximately 1,717,854 students).

Component 2: Supporting the learning process by improving the teaching and learning environment. This component contributes to the establishment of a more conducive schooling environment by supporting key supply-side aspects that can be improved over the short term. About 1,934,854 primary aged children and approximately 21,635 community teachers in all public primary schools and in selected community primary schools in 15⁴⁷ targeted regions (about 14,544 schools) will benefit from this component's support of the following four activities:

1. **Reinforced teacher training.** This component will finance (i) technical assistance for the further definition of training needs; (ii) technical assistance for the elaboration of teaching modules for intensive training sessions for community teachers; (iii) the provision of material and equipment necessary to implement the teaching modules at the local level; and (iv) technical assistance and material necessary to carry out the evaluation (and revision if needed) of the training modules.

⁴⁷ The 15 regions include the 12 regions targeted by the overall operation, as well as the 3 regions that will benefit from the school feeding activities.

2. **Support to school grants.** This subcomponent will contribute to the payment of annual grants to all public primary schools and selected community schools in 12 regions. This subcomponent will finance: (i) payment of grants for all primary public schools through financial institutions; (ii) fund transfer and banking charges for financial service providers; and (iii) supervision and data collection by regional and local administrative structures. In addition, training will be provided to school management committees for management of the grants as well as third-party verification by NGOs in a sample of schools.
3. **Support to school feeding.** The primary objective of this subcomponent is to help public primary school children in three targeted vulnerable regions—those categorized on the government’s food security map as having severe food insecurity—become more able and available to learn by alleviating short-term hunger and reducing school absenteeism. The subcomponent will finance the provision of a daily meal during the school day to children in schools in the three selected vulnerable regions, in view of promoting student attendance, attention, and readiness to learn. This subcomponent is also expected to have an additional positive impact on retention in school in the targeted areas.⁴⁸
4. **School construction.** This subcomponent will finance: (i) the construction of classrooms in targeted vulnerable regions, particularly in schools needing additional classrooms to meet local demand and in the *fokotany* without schools, and (ii) the rehabilitation, reconstruction, or retrofitting of existing schools to meet school construction norms. The subcomponent will finance the construction of 430 classrooms with adequate latrines and water access in targeted schools.

Component 3: Strengthening the foundations of the primary education system by rebuilding stakeholders’ capacity and improving community participation and transparency (US\$ 9 million). This component contributes to strengthening the foundations of the primary education system by ensuring that the various stakeholders (both institutions and communities) are in a position to better respond to the medium- and long-term challenges of the sector once the political crisis is resolved. The beneficiaries and approximately 600 school committees will benefit from this component’s support of the following three activities:

1. **Strengthen planning and monitoring capacity for central and deconcentrated Entities, and beneficiary communities.** This subcomponent will finance activities to reinforce the Ministry of Education’s capacity to formulate and monitor the implementation of education policies at the central and deconcentrated levels, and in particular for the Planning Division.
2. **Community participation.** This subcomponent will finance the development and implementation of social accountability tools promoting transparency and participatory management at the school, district, and regional levels in a total of 600 communities in three regions of the country, through activities including: (i) school report cards and (ii) participatory budget initiatives.

⁴⁸ A series of studies (mostly randomized controlled trials) from other countries found that in-school feeding programs had a significant, positive impact, improving attendance and reducing dropouts.

- The proposed emergency operation will finance feasibility and detailed design studies for subsequent investments to include environmental and social assessments as required by the World Bank safeguards policies.
 - Participatory Public Consultation and Disclosure requirements, as specified by World Bank Safeguards policies, will be simplified and adopted to meet the special needs of this operation. All subprojects that require public consultations with local communities or beneficiaries will be conducted to help elicit the views and understanding of the male and female populations.
9. **Ultimately, as prescribed by OP/BP 8.00 policy on Rapid Response to Crises and Emergencies, the ESSAF shall comply with World Bank safeguards policies and also be subject to public consultation and disclosure by the Borrower during project implementation.** As such, it will be disclosed both in country (in the appropriate communication channels, concerned sector ministries, and other public places in project intervention areas) as well as at the World Bank InfoShop during project implementation.

V. COMPLIANCE WITH WORLD BANK SAFEGUARDS POLICIES

10. **The proposed operation will mainly support activities in the education sector, such as:** (i) facilitating access and retention in primary education through the payment of subsidies to community teacher salaries and the provision of school kits; (ii) supporting the learning process through community teacher training in key basic competencies; the top-up to school grants; school feeding, health, and nutrition activities; and school infrastructure improvement; (iii) strengthening the foundations of the system through institutional strengthening, capacity building for communities, and project management, monitoring, and evaluation. Parts of the activities described above will focus on capacity building and training, material and equipment procurement, and institutional reform, where no environmental and social safeguard aspect would be expected. The proposed Grant will finance the construction of new classrooms and the rehabilitation, reconstruction, or retrofitting of schools to meet school construction norms. Though the project is not expected to have major negative or irreversible environmental and social impacts, these activities are expected to have certain site-specific adverse environmental and social impacts; therefore, two Safeguards policies are triggered: OP/BP 4.01 (Environmental Assessment) and OP/BP 4.12 (Involuntary Resettlement).
11. **Considering the nature and magnitude of potential environmental and social impacts from the relatively limited scale of rehabilitation and improvement of classrooms and construction of new classrooms in compliance with the Ministry of Education's standards and norms, the Emergency Support to Education for All Project is classified as a Category "B" Partial Assessment.**

VI. ENVIRONMENTAL AND SOCIAL SCREENING AND ASSESSMENT FRAMEWORK (ESSAF)

12. **This ESSAF has been developed specifically for this proposed operation to ensure due diligence, to avoid causing harm, and to ensure consistent treatment of social and environmental issues by all donors and the Government of Madagascar.** The purpose of this Framework is also to assist the Ministry of Education in screening all subprojects for their likely social and environmental impact, identifying documentation and preparation requirements, and prioritizing the investments.
13. **OP 4.01 Environmental Assessment:** Most of the proposed subprojects will focus on the construction of new classrooms and the rehabilitation, improvement, and upgrading of primary school facilities (classroom, sanitation, administration). The requirement to carry out an Environmental Analysis as part of project preparation can be waived, but for subprojects with potential adverse impacts, a limited Environmental Analysis will be done during project implementation. As an operation under OP/BP 8.00, Rapid Response to Crises and Emergencies, the requirement to carry out an Environmental and Social Impact Assessment (ESIA) that includes an Environmental and Social Management Plan (ESMP) will be undertaken during project implementation in parallel with subproject technical feasibility studies. At the same time, prior to subproject appraisal, the implementing agency will agree to apply the following minimum standards during implementation: (i) inclusion of standard Environmental Codes of Practice in the rehabilitation, improvement, and reconstruction bid documents of all subprojects; (ii) review and oversight of any major reconstruction works by civil engineers; (iii) implementation of environmentally and socially sound options for disposal of debris or drain spoils; and (iv) provisions for adequate and satisfactory budget and institutional arrangements for monitoring effective implementation.
14. **OP 4.12 Involuntary Resettlement:** The need for involuntary resettlement or land acquisition in specific subproject areas will become known only during project implementation, when site-specific plans are available. Therefore subprojects will be screened for applicability of the resettlement policy, and any subprojects involving involuntary resettlement or land acquisition will be approved only after preparation of a resettlement plan acceptable to the Bank. Several issues will increase the complexity of land acquisition, including the lack of reliable land record systems and the inability of people losing land to either document ownership or be physically present to make their claims for eligibility. The safeguards framework will therefore include procedures for identifying eligible project-affected people, calculating and delivering compensation, and mechanisms for land dispute grievance redress.
15. **The following safeguards policies are not triggered:**
 1. OP 4.04 (Natural Habitats): The project will not take place in or near natural habitats.
 2. OP 4.09 (Pest Management): The project will not support procurement or use of pesticides.
 3. OP 4.10 (Indigenous Peoples): There are no Indigenous Peoples in the project area, since targeted project activities will be in southeastern Madagascar.

4. OP 4.11 (Physical Cultural Resources): The project is not expected to affect any physical cultural resources.
5. OP 4.36 (Forests): The project is not expected to involve deforestation or illegal logging of forest resources.
6. OP 4.37 (Safety of Dams): The project is not expected to support rehabilitation or construction of dams or intervene in irrigation perimeters.
7. OP 7.50 (Projects on International Waterways). Given that Madagascar is an island, the policy does not apply.
8. OP 7.60 – There are no disputed areas in the project area.

VII. SAFEGUARD SCREENING AND MITIGATION

16. The selection, design, contracting, monitoring, and evaluation of subprojects will be consistent with the following guidelines, codes of practice, and requirements. The safeguard screening and mitigation process will include:

1. A list of negative characteristics rendering a proposed subproject ineligible for support (see Attachment 1).
2. A proposed procedure to review, step by step, potential environmental and social impacts for each subproject to be financed by the project (see Attachment 2).
3. A proposed checklist of likely environmental and social impacts to be filled out for each subproject or group of subprojects (see Attachment 3).
4. Guidelines for land and asset acquisition, entitlements, and compensation (see Attachment 4).
5. Procedures for the protection of cultural property, including the chance discovery of archaeological artifacts, unrecorded graveyards and burial sites, and similar items (see Attachment 5).
6. Relevant elements of the codes of practice for the prevention and mitigation of potential environmental impacts (see Attachment 6).
7. Guidelines for the Preparation of Environmental and Social Management Plans (see Attachment 7).

VIII. RESPONSIBILITIES FOR SAFEGUARD SCREENING AND MITIGATION

17. The project will be coordinated and supervised by the existing project implementation unit—Unité d'Appui Technique-Education pour Tous (UAT-EPT)—under the supervision of and reporting to the Secretary General of the Ministry of Education. The UAT-EPT will be responsible for day-to-day project implementation and monitoring of the three components, including all fiduciary aspects, monitoring and evaluation, and safeguards. The UAT-EPT has been in place since 2002 and has a good track record in implementing education projects with multiple donors. Examples include the IDA-financed CRESED Project 2002–05 and the Multi-Donor Trust Fund for the Education for All Initiative (EFA-FTI, now GPE), for which the Bank was the supervising entity prior to the crisis in 2009. UAT-EPT also implemented some activities of the previous GPE managed by UNICEF, including some key activities that this operation proposes to finance. The UAT is the implementing agency for the education component of the multi-sector, IDA-financed

MESEHN. Though there could be potential overlap with other donor financing in the project areas, the subprojects to be financed by the proposed grant would not be co-financing but be parallel financing. Any potential subproject financed should be in compliance with the World Bank safeguard policies triggered by the proposed Grant. Any potential negative impacts will be managed by the safeguard tools developed for this Grant. In this context, for continued timely management of safeguards, all safeguard aspects will be led under the existing UAT, which has agreed to nominate a Social and Environmental Focal Point (SEFP) to ensure that all civil works of classroom construction and rehabilitation will be in compliance with the environmental and social safeguard requirements. The UAT will receive support from the National Office of Environment (NOE) on capacity building to implement mitigation measures in the project. The NOE will also be in charge of monitoring and supervising the agreed environmental and social measures for all subprojects financed by the project. Local governments will participate in any consultations, as the case arises, during the preparation of safeguard instruments as well as the implementation of mitigation/compensation measures. Enterprises will be responsible for applying the mitigation requirements proposed by the UAT to each subproject.

IX. CAPACITY BUILDING AND MONITORING OF SAFEGUARD FRAMEWORK IMPLEMENTATION

- 18. As part of the capacity building to be provided for an environmentally friendly implementation of the proposed project, the technical team within the UAT-EPT will be trained in implementation requirements for the Bank's safeguard policies and in applying the ESSAF.**
- 19. The World Bank environmental and social safeguards specialists of the project task team will provide guidance to the UAT-EPT.** During implementation support missions for the project, the Bank team will assess the implementation of the ESSAF and recommend additional strengthening measures if required.

X. CONSULTATION AND DISCLOSURE

- 20. This ESSAF will be shared with the ministries directly involved in the project (Environment, Education), local governments with territories that will host subprojects, concerned NGOs, and development partners of Madagascar involved in the education program.** The ESSAF will be disclosed in country and at the World Bank's InfoShop. The RPF and ESMF will also be disclosed in accordance with the Bank's guidelines. This will constitute a condition of disbursement for subcomponent 2.4. At any time, when necessary, the UAT-EPT will consult project-affected groups and local governments on the project's environmental and social aspects and will take their views into account. The UAT-EPT will initiate these consultations as early as possible, and for meaningful consultations, will provide relevant material in a timely manner prior to consultation, in the Malagasy language and in a form that is easily understandable and accessible to the groups being consulted.

List of Negative Subproject Attributes

Subprojects with any of the attributes listed below will be ineligible for support under the proposed emergency project.

Attributes of Ineligible Subprojects
GENERAL CHARACTERISTICS
Concerning significant conversion or degradation of critical natural habitats (protected areas, wetlands, etc.).
Damages cultural property, including but not limited to, any activities that affect the following sites: <ol style="list-style-type: none"> 1. Archaeological and historical sites; and 2. Religious monuments, structures, and cemeteries.
Requiring pesticides that fall in World Health Organization classes IA, IB, or II.
Income Generating Activities Activities involving the use of fuel wood, including trees and bush. Activities involving the use of hazardous substances.

Attachment 2: Steps for Screening Potential Environmental and Social Impacts, Mitigation Measures, and Implementation Procedures

The selection, design, contracting, monitoring, and evaluation of subprojects will be consistent with the guidelines and requirements listed below and included as attachments to this document. Screening of potential environmental and social safeguards impacts, mitigation and management measures, and implementation procedures will follow these steps:

Step 1: Screening of potential environmental and social safeguards impacts, and determination of the appropriate set of safeguards instruments

During the preparation of subprojects, the UAT-EPT will ensure that technical design can minimize or avoid environmental and social impacts, including land acquisition.

More detailed environmental and social screening criteria, specifically the list of negative subproject attributes, is included as Attachment 1.

A proposed checklist of likely environmental and social impacts, to be filled out for each subproject, will be used to determine the type and scope of the environmental and social safeguards impacts (Attachment 5).

Step 2: Definition of the environmental and social safeguards instruments for the Project and for each micro-project or subproject

The UAT-EPT, with the assistance of the consultant team, will determine and prepare appropriate instruments for mitigating environmental and social safeguards impacts identified in the screening.

Sample Environmental Safeguards enforcement procedures for inclusion in the technical specifications of construction contracts are provided in Attachment 7.

The UAT-EPT will prepare a Safeguard Screening Summary, (SSS) which includes:

1. A list of micro-projects and subprojects that are expected to have environmental and social safeguards impacts.
2. The extent of the expected impacts.
3. The instruments used to address the expected impacts.
4. The timeline to prepare the instruments.

Step 3: Review of the Safeguards Screening Summary

The UAT-EPT will retain a copy of the Safeguards Screening Summary for possible review by the Implementing Agency and the World Bank. The review, which may be conducted on a sample basis, will verify the proper application of the screening process, including the scoping of potential impacts and the choice and application of instruments.

Step 4: Preparation of safeguards instruments

The UAT-EPT will prepare the safeguards instruments, the Environmental and Social Management Plan (ESMP) or Resettlement Action Plan (RAP), as required. The ESMP and/or RAP will be prepared in consultation with affected peoples and with relevant NGOs, as necessary. The ESMP and/or the RAP will be submitted to the World Bank for approval.

Step 5: Application of the safeguards instruments

Appropriate mitigation measures will be included in the bidding documents and contract documents to be prepared by the UAT-EPT. Compliance by the contractors will be monitored in the field by the project engineers, working under close supervision. The performance of the contractors will be documented and recorded for possible later review.

The UAT-EPT will supervise and monitor the overall safeguards implementation process and prepare a progress report on the application of safeguards policies during the planning, design, and construction phases of the Project. The PIU will also develop the reporting requirements and procedures to ensure compliance of the contractors; conduct public consultation and public awareness programs; and carry out periodic training for field engineers and contractors as appropriate.

Attachment 3: Checklist of Possible Environmental and Social Impacts of Projects

This Form is to be used by the UAT-EPT in screening subproject proposals.

Note: One copy of this form and accompanying documentation will be kept in the UAT-EPT office, and one copy is to be sent to the World Bank Task Team Leader.

Name of Project:

Number of subprojects:

Proposing agency:

Subproject location:

Subproject objective:

Estimated cost:

Proposed date of commencement of work:

Community to be included in the subproject location:

Relevant details:

Any environmental and social issues:

Estimated costs:

Proposed starting date of works:

Designs / plans / specifications reviewed: Yes ___ No ___

Other comments:

Completed by: Date:

Reviewed by: Date:

I. Subproject Related Issues

S No	ISSUES	YES	NO	Comments
A.	<i>Zoning and Land Use Planning</i>			
1.	Will the subproject affect land use zoning and planning or conflict with prevalent land use patterns?			
2.	Will the subproject involve significant land disturbance or site clearance?			
3.	Will the subproject land be subject to potential encroachment by urban or industrial use or located in an area intended for urban or industrial development?			
B.	<i>Utilities and Facilities</i>			
4.	Will the subproject require the setting up of ancillary production facilities?			
5.	Will the subproject require significant levels of accommodation or service amenities to support the workforce during construction (e.g., contractor will need more than 20 workers)?			
C.	<i>Water and Soil Contamination</i>			
6.	Will the subproject require large amounts of raw materials or construction materials?			
7.	Will the subproject generate large amounts of residual wastes, construction material waste or cause soil erosion?			

8.	Will the subproject result in potential soil or water contamination (e.g., from oil, grease, and fuel from equipment yards)?			
9.	Will the subproject lead to contamination of ground and surface waters by herbicides for vegetation control and chemicals (e.g., calcium chloride) for dust control?			
10.	Will the subproject lead to an increase in suspended sediments in streams affected by road cut erosion, decline in water quality, and increased sedimentation downstream?			
11.	Will the subproject involve the use of chemicals or solvents?			
12.	Will the subproject lead to the destruction of vegetation and soil in the right-of-way, borrow pits, waste dumps, and equipment yards?			
13.	Will the subproject lead to the creation of stagnant water bodies in borrow pits, quarries, etc., encouraging for mosquito breeding and other disease vectors?			
D.	<i>Noise and Air Pollution Hazardous Substances</i>			
14.	Will the subproject increase the levels of harmful air emissions?			
15.	Will the subproject increase ambient noise levels?			
16.	Will the subproject involve the storage, handling, or transport of hazardous substances?			
E.	<i>Fauna and Flora</i>			
18.	Will the subproject involve the disturbance or modification of existing drainage channels (rivers, canals) or surface water bodies (wetlands, marshes)?			
19.	Will the subproject lead to the destruction or damage of terrestrial or aquatic ecosystems or endangered species directly or by induced development?			
20.	Will the subproject lead to the disruption/destruction of wildlife through interruption of migratory routes, disturbance of wildlife habitats, and noise-related problems?			
F.	<i>Destruction/Disruption of Land and Vegetation</i>			
21.	Will the subproject lead to unplanned use of the infrastructure being developed?			
22.	Will the subproject lead to long-term or semi-permanent destruction of soils in cleared areas not suited for agriculture?			
23.	Will the subproject lead to the interruption of subsoil and overland drainage patterns (in areas of cuts and fills)?			
24.	Will the subproject lead to landslides, slumps, slips, and other mass movements in road cuts?			
25.	Will the subproject lead to erosion of lands below the roadbed receiving concentrated outflow carried by covered or open drains?			
26.	Will the subproject lead to long-term or semi-permanent destruction of soils in cleared areas not suited for agriculture?			
27.	Will the subproject lead to health hazards and interference of plant growth adjacent to roads by dust raised and blown by vehicles?			
G.	<i>Cultural Property</i>			
28.	Will the subproject have an impact on archaeological or historical sites, including historic urban areas?			
29.	Will the subproject have an impact on religious monuments, structures, and/or cemeteries?			
30.	Have Chance Finds procedures been prepared for use in the subproject?			

H.	<i>Expropriation and Social Disturbance</i>			
31.	Will the subproject involve land expropriation or demolition of existing structures?			
32.	Will the subproject lead to induced settlements by workers and others causing social and economic disruption?			
33.	Will the subproject lead to environmental and social disturbance by construction camps?			

II. Site Characteristics

No.	ISSUES	YES	NO	Comments
1.	Is the subproject located in an area with designated natural reserves?			
2.	Is the subproject located in an area with unique natural features?			
3.	Is the subproject located in an area with endangered or conservation-worthy ecosystems, fauna, or flora?			
4.	Is the subproject located in an area falling within 500 meters of national forests, protected areas, wilderness areas, wetlands, biodiversity, critical habitats, or sites of historical or cultural importance?			
5.	Is the subproject located in an area which would create a barrier for the movement of conservation-worthy wildlife or livestock?			
6.	Is the subproject located close to groundwater sources, surface water bodies, water courses, or wetlands?			
7.	Is the subproject located in an area with designated cultural properties such as archaeological, historical, and/or religious sites?			
8.	Is the subproject in an area with religious monuments, structures, and/or cemeteries?			
9.	Is the subproject in a polluted or contaminated area?			
10.	Is the subproject located in an area of high visual and landscape quality?			
11.	Is the subproject located in an area susceptible to landslides or erosion?			
12.	Is the subproject located in an area of seismic faults?			
13.	Is the subproject located in a densely populated area?			
14.	Is the subproject located on prime agricultural land?			
15.	Is the subproject located in an area of tourist importance?			
16.	Is the subproject located near a waste dump?			
17.	Does the subproject have access to potable water?			
18.	Is the subproject located far (1–2 km) from accessible roads?			
19.	Is the subproject located in an area with a wastewater network?			
20.	Is the subproject located in the urban plan of the city?			
21.	Is the subproject located outside the land use plan?			

Recommendation:

1. Ineligible subproject:
2. Change subproject site:
3. Conduct a simple ESIA (Category B):
4. No ESIA required. Apply following measures:
 - xxxx (measure, period/timeline, who ?)

- yyyy (measure, period/timeline, who ?)
- zzzz (measure, period/timeline, who ?)

Signed by (UAT-EPT designated person): Name: _____

Title: _____

Date: _____

Signed by Project Manager UAT-EPT: Name: _____

Title: _____

Date: _____

Approved by The Head of the UAT-EPT on (date and signature)

Copied to:

1. xx
2. yy

Attachment 4
Guidelines for Land and Asset Acquisition, Entitlements, and Compensation

I. Objectives

1. Resettlement and private land acquisition will be avoided or kept to a minimum, and will be carried out in accordance with these guidelines. Subproject proposals that would require demolishing houses or acquiring productive land should be carefully reviewed to minimize or avoid their impacts through alternative alignments. Proposals that require more than minor expansion along rights of way should be carefully reviewed. No land or asset acquisition may take place outside of these guidelines. A format for Land Acquisition Assessment Data Sheet is attached as Attachment 3(i).
2. These guidelines provide principles and instructions to compensate negatively affected persons to ensure that they will be assisted to improve, or at least to restore, their living standards, income earning, or production capacity to pre-project levels regardless of their land tenure status.

II. Categorization

3. Based on the number of persons that may be affected by the subproject, Project Affected People (PAPs) and the magnitude of impacts, subprojects will be categorized as follows:
 - (a) Subprojects that will affect more than 200 PAPs due to land acquisition and/or physical relocation and where a full Resettlement Action Plan (RAP) must be produced. If the RAP cannot be prepared prior to project appraisal, a waiver can be provided by the World Bank Managing Director (MD) in consultation with the Resettlement Committee. In such cases, the Task Team will agree with the Borrower on a timetable for preparation of the RAP.
 - (b) Subprojects that will affect less than 200 persons require the following documentation: (i) a land acquisition assessment; (ii) the minutes or record of consultations which assess the compensation claimed and agreement reached; and (iii) a record of the receipt of the compensation, or voluntary donation, by those affected (see below).
 - (c) Subprojects that are not expected to have any land acquisition or any other significant adverse social impacts; on the contrary, significant positive social impact and improved livelihoods are expected from such interventions.

III. Eligibility

4. PAPs are identified as persons whose livelihood is directly affected by the project due to acquisition of the land owned or used by them. PAPs deemed eligible for compensation are:
 - (a) those who have formal legal rights to land, water resources, or structures/buildings, including recognized customary and traditional rights;

- (b) those who do not have such formal legal rights but have a claim to usufruct rights rooted in customary law; and
- (c) those whose claim to land and water resources or building/structures do not fall within (a) and (b) above, are eligible to resettlement assistance to restore their livelihood.

IV. Compensation Principles

- 5. The project implementation agencies will ensure timely provision of the following means of compensation to affected peoples:
 - (a) Project affected peoples losing access to a portion of their land or other productive assets with the remaining assets being economically viable are entitled to compensation at a replacement cost for that portion of land or assets lost to them. Compensation for the lost assets will be made according to the following principles:
 - (i) replacement land with an equally productive plot, cash or other equivalent productive assets;
 - (ii) materials and assistance to fully replace solid structures that will be demolished;
 - (iii) replacement of damaged or lost crops and trees, at market value;
 - (iv) other acceptable in-kind compensation;
 - (v) in case of cash compensation, the delivery of compensation should be made in public, i.e., at the Community Meeting; and
 - (vi) in case of physical relocation, provision of civic infrastructure at the resettlement sites.
 - (b) Project affected peoples losing access to a portion of their land or other economic assets rendering the remainder economically non-viable will have the options of compensation for the entire asset by provision of alternative land, cash, or equivalent productive asset, according to the principles in (a) i-iv above.

V. Consultation Process

- 6. The technical team (MEA) will ensure that all occupants of land and owners of assets located in a proposed subproject area are consulted. Community meetings will be held in each affected district and village to inform the local population of their rights to compensation and options available in accordance with these Guidelines. The Minutes of the community meetings shall reflect the discussions held; agreements reached, and include details of the agreement, based on the format provided in Attachment 3(ii).
- 7. The MEA shall provide a copy of the Minutes to affected people and confirm in discussions with each of them, their requests and preferences for compensation, agreements reached, and

any eventual complaint. Copies will be recorded in the posted project documentation and be available for inspection during supervision.

VI. Subproject Approval

8. In the event that a subproject involves acquisition against compensation, the MEA shall:
 - (a) not approve the subproject unless satisfactory compensation has been agreed with the affected person; and
 - (b) not allow works to start until the compensation has been delivered in a satisfactory manner to the affected persons.

VII. Complaints and Grievances

9. Initially, all complaints should be registered by the MEA, which shall establish a register of resettlement/compensation-related grievances and dispute mechanisms. The existence and conditions of access to this register (where, when, how) shall be widely disseminated within the community/town as part of the consultation undertaken for the subproject in general. A committee of knowledgeable persons, experienced in the subject area, shall be constituted at a local level as a Committee to handle first instance disputes/grievances. This group of mediators attempting amicable mediation/litigation in first instance will consist of the following members: (i) Mayor; (ii) Legal advisor; (iii) Local Representative within the elected Council; (iv) Head of Community Based Organization; and (v) Community leaders. This mediation committee will be set up at the local level by the implementation agency on an “as-needed” basis (i.e., it will be established when a dispute arises in a given community).
10. When a grievance/dispute is recorded as per the above-mentioned registration procedures, the mediation committee will be established, and mediation meetings will be organized with interested parties. Minutes of meetings will be recorded. The existence of this first instance mechanism will be widely disseminated to the affected people as part of the consultation undertaken for the subproject in general. It is important that these mediation committees be set up as soon as RAP preparation starts. Disputes documented, for example, through socio-economic surveys, should be dealt with by appropriate mediation mechanisms which must be available to cater for claims, disputes, and grievances at this early stage. A template form for claims should be developed and these forms should be collated on a quarterly basis into a database held at project level.

VIII. Verification

11. The Mediation Meeting Minutes, including agreements of compensation and evidence of compensation made, shall be provided to the municipality/district, to the supervising engineers, who will maintain a record thereof, and to auditors and socio-economic monitors when they undertake reviews and post-project assessment. This process shall be specified in all relevant project documents, including details of the relevant authority for complaints at the municipal/district or implementing agency level.

Land Acquisition Assessment Data Sheet
(To be used to record information on all land to be acquired)

1. Quantities of land/structures/other assets required:
2. Date to be acquired:
3. Locations:
4. Owners:
5. Current uses:
6. Users:
 1. Number of Customary Claimants:
 2. Number of Squatters:
 3. Number of Encroachers:
 4. Number of Owners:
 5. Number of Tenants:
 6. Others (specify): _____ Number: _____
7. How land/structures/other assets will be acquired (identify one):
 1. Donation
 2. Purchase
8. Transfer of Title:
 1. Ensure these lands/structures/other assets are free of claims or encumbrances.
 2. Written proof must be obtained (notarized or witnessed statements) for the voluntary donation, or acceptance of the prices paid from those affected, together with proof of title being vested in the community, or guarantee of public access, by the title-holder.
9. Describe grievance mechanisms available:

Schedule of

Compensation of Asset Requisition

Summary of Affected Unit/Item	Units to be Compensated	Agreed Compensation
a. Urban/agricultural land (m ²):	_____	_____
b. Houses/structures to be demolished (units/m ²):	_____	_____
c. Type of structure to be demolished (e.g., mud, brick, cement block, etc.)	_____	Not Applicable.
d. Trees or crops affected:	_____	_____
e. Water sources affected:	_____	_____

Signatures of local community representatives/Head of Tribe:

Include record of any complaints raised by affected persons:

Map attached (showing affected areas and replacement areas):

Protection of Cultural Property

1. Cultural property includes monuments, structures, works of art, sites of significance, or points of view, and is defined as sites and structures having archaeological, historical, architectural, or religious significance, and natural sites with cultural values. This includes cemeteries, graveyards, and graves.
2. The initial phase of the proposed emergency reconstruction operation poses limited risks of damaging cultural property, since subprojects will largely consist of rehabilitation of existing classrooms, or new classroom construction in vulnerable areas in project zones. Further, the list of negative subproject attributes, which would make a subproject ineligible for support (Attachment 1), includes any activity that would adversely impact cultural property. Nevertheless, the following procedures for identification, protection from theft, and treatment of discovered artifacts should be followed and included in standard bidding documents as provided in Attachment 6.

Chance Find Procedures

3. Chance find procedures will be used as follows:
 1. Stop the construction activities in the area of the chance find;
 2. Delineate the discovered site or area;
 3. Secure the site to prevent any damage or loss of removable objects. In cases of removable antiquities or sensitive remains, a night guard shall be present until the responsible local authorities and the Ministry of Culture take over;
 4. Notify the supervisory Engineer who in turn will notify the responsible local authorities and the Ministry of Culture immediately (within 24 hours or less);
 5. Responsible local authorities and the Ministry of Culture would be in charge of protecting and preserving the site before deciding on subsequent appropriate procedures. This would require a preliminary evaluation of the findings to be performed by the archeologists of the Ministry of Culture (within 72 hours). The significance and importance of the findings should be assessed according to the various criteria relevant to cultural heritage; those include the aesthetic, historic, scientific or research, social, and economic values;
 6. Decisions on how to handle the finding shall be taken by the responsible authorities and the Ministry in charge of Cultural Heritage and Archeology. This could include changes in the layout (such as when finding an irremovable remain of cultural or archeological importance), conservation, preservation, restoration, and salvage;
 7. Implementation for the authority decision concerning the management of the finding shall be communicated in writing by the Ministry of Cultural heritage; and
 8. Construction work could resume only after permission is given from the responsible local authorities and the Ministry of Culture concerning safeguard of the heritage.
4. These procedures must be referred to as standard provisions in construction contracts, when applicable, and as proposed in section 1.5 of Attachment 6. During project supervision, the Site

Engineer shall monitor the above regulations relating to the treatment of any chance find encountered are observed.

5. Relevant findings will be recorded in World Bank Project Supervision Reports (PSRs), and Implementation Completion Reports (ICRs) will assess the overall effectiveness of the project's cultural property mitigation, management, and activities, as appropriate.

Safeguards Procedures for Inclusion in the Technical Specifications of Contracts (for rehabilitation/repair activities)

I. General

1. The Contractor and his employees shall adhere to the mitigation measures set down and take all other measures required by the Engineer to prevent harm, and to minimize the impact of his operations on the environment.
2. Remedial actions which cannot be effectively carried out during construction should be carried out on completion of each subproject and before issuance of the “Taking over certificate”:
 - these subproject locations should be landscaped and any necessary remedial works should be undertaken without delay, including grassing and reforestation;
 - water courses should be cleared of debris and drains and culverts checked for clear flow paths; and
 - borrow pits should be dressed as fish ponds, or drained and made safe, as agreed with the land owner.
3. The Contractor shall limit construction works to between 6 am and 7 pm if they are to be carried out in or near residential areas.
4. The Contractor shall avoid the use of heavy or noisy equipment in specified areas at night, or in sensitive areas such as near a hospital.
5. To prevent dust pollution during dry periods, the Contractor shall carry out regular watering of earth and gravel haul roads and shall cover material haulage trucks with tarpaulins to prevent spillage.
6. To avoid disease caused by inadequate provision of water and sanitation services, environmentally appropriate site selection shall be led by application of the environmental and social screening form provided in this ESSAF, design and construction guidance, and a procedure for ensuring that this guidance is followed before construction is approved. Ensure engineering designs include adequate sanitary latrines and access to safe water.
7. To prevent unsustainable use of timber and wood-firing of bricks, the contractor should replace timber beams with concrete where structurally possible. In addition, the contractor should ensure fired bricks are not wood-fired. Where technically and economically feasible, substitute fired bricks with alternatives, such as sun-dried mud bricks, compressed earth bricks, or rammed earth construction.
8. The Contractor shall conduct appropriate disposal of waste materials and the protection of the workforce in the event of asbestos removal or that of other toxic materials.

Prohibitions

9. The following activities are prohibited on or near the project site:

- cutting of trees for any reason outside the approved construction area;
- hunting, fishing, wildlife capture, or plant collection;
- use of unapproved toxic materials, including lead-based paints, asbestos, etc.
- disturbance to anything with architectural or historical value;
- building of fires; and
- use of firearms (except authorized security guards).

II. Transport

10. The Contractor shall use selected routes to the project site, as agreed with the Engineer, and appropriately sized vehicles suitable to the class of road, and shall restrict loads to prevent damage to roads and bridges used for transportation purposes. The Contractor shall be held responsible for any damage caused to the roads and bridges due to the transportation of excessive loads, and shall be required to repair such damage to the approval of the Engineer.
11. The Contractor shall not use any vehicles, either on or off road, with grossly excessive exhaust or noise emissions. In any built-up areas, noise mufflers shall be installed and maintained in good condition on all motorized equipment under the control of the Contractor.
12. Adequate traffic control measures shall be maintained by the Contractor throughout the duration of the Contract, and such measures shall be subject to prior approval of the Engineer.

III. Workforce

13. The Contractor should whenever possible locally recruit the majority of the workforce and shall provide appropriate training as necessary.
14. The Contractor shall install and maintain a temporary septic tank system for any residential labor camp and without causing pollution of nearby watercourses.
15. The Contractor shall establish a method and system for storing and disposing of all solid wastes generated by the labor camp and/or base camp.
16. The Contractor shall not allow the use of fuel wood for cooking or heating in any labor camp or base camp and provide alternate facilities using other fuels.
17. The Contractor shall ensure that site offices, depots, asphalt plants, and workshops are located in appropriate areas as approved by the Engineer and not within 500 meters of existing residential settlements and not within 1,000 meters for asphalt plants.
18. The Contractor shall ensure that site offices, depots, and particularly storage areas for diesel fuel and bitumen and asphalt plants are not located within 500 meters of watercourses and are operated so that no pollutants enter watercourses, either overland or through groundwater seepage, especially during periods of rain. This will require lubricants to be recycled and a ditch to be constructed around the area with an approved settling pond/oil trap at the outlet.

19. The Contractor shall not use fuel wood as a means of heating during the processing or preparation of any materials forming part of the Works.
20. The Contractor shall conduct safety training for construction workers prior to beginning work. Material Safety Data Sheets should be posted for each chemical present on the worksite.
21. The Contractor shall provide personal protective equipment (PPE) and clothing (goggles, gloves, respirators, dust masks, hard hats, steel-toed and -shanked boots, etc.) for construction and pesticide handling work. Use of PPE should be enforced.

IV. Quarries and Borrow Pits

22. Operations of a new borrow area, on land, in a river, or in an existing area, shall be subject to prior approval of the Engineer, and the operation shall cease if so instructed by the Engineer. Borrow pits shall be prohibited where they might interfere with the natural or designed drainage patterns. River locations shall be prohibited if they might undermine or damage the river banks, or carry too much fine material downstream.
23. The Contractor shall ensure that all borrow pits used are left in a trim and tidy condition with stable side slopes, and are drained ensuring that no stagnant water bodies are created which could breed mosquitoes.
24. Rock or gravel taken from a river shall be far enough removed to limit the depth of material removed to one-tenth of the width of the river at any one location, and not to disrupt the river flow, or damage or undermine the river banks.
25. The location of crushing plants shall be subject to the approval of the Engineer, and not be close to environmentally sensitive areas or to existing residential settlements, and shall be operated with approved fitted dust control devices.

V. Earthworks

26. Earthworks shall be properly controlled, especially during the rainy season.
27. The Contractor shall maintain stable cut and fill slopes at all times and cause the least possible disturbance to areas outside the prescribed limits of the work.
28. The Contractor shall complete cut and fill operations to final cross-sections at any one location as soon as possible and preferably in one continuous operation to avoid partially completed earthworks, especially during the rainy season.
29. In order to protect any cut or fill slopes from erosion, in accordance with the drawings, cut off drains and toe-drains shall be provided at the top and bottom of slopes and be planted with grass or other plant cover. Cut off drains should be provided above high cuts to minimize water runoff and slope erosion.
30. Any excavated cut or unsuitable material shall be disposed of in designated tipping areas as agreed to by the Engineer.
31. Tips should not be located where they can cause future slides, interfere with agricultural land or any other properties, or cause soil from the dump to be washed into any watercourse. Drains may need to be dug within and around the tips, as directed by the Engineer.

VI. Historical and Archeological Sites

32. If the Contractor discovers archeological sites, historical sites, remains, and objects, including graveyards and/or individual graves during excavation or construction, the Contractor shall:
- Stop the construction activities in the area of the chance find.
 - Delineate the discovered site or area.
 - Secure the site to prevent any damage or loss of removable objects. In cases of removable antiquities or sensitive remains, a night guard shall be present until the responsible local authorities and the Ministry of Information, Culture, and Communication take over.
 - Notify the supervisory Engineer, who in turn will notify the responsible local authorities and the Ministry of Information, Culture, and Communication immediately (less than 24 hours).
 - Contact the responsible local authorities and the Ministry of Information, Culture, and Communication, who would be in charge of protecting and preserving the site before deciding on the proper procedures to be carried out. This would require a preliminary evaluation of the findings to be performed by the archeologists of the relevant Ministry of Information, Culture, and Communication (within 72 hours). The significance and importance of the findings should be assessed according to the various criteria relevant to cultural heritage, including the aesthetic, historic, scientific or research, social, and economic values.
 - Ensure that decisions on how to handle the finding be taken by the responsible authorities and the Ministry of Information, Culture, and Communication. This could include changes in the layout (such as when the finding is an irremovable remain of cultural or archeological importance) conservation, preservation, restoration, and salvage.
 - Implementation for the authority decision concerning the management of the finding shall be communicated in writing by the Ministry of Information, Culture, and Communication.
 - Construction work will resume only after authorization is given by the responsible local authorities and the Ministry of Information, Culture, and Communication concerning the safeguard of the heritage.

VII. Disposal of Construction and Vehicle Waste

33. Debris generated due to the dismantling of the existing structures shall be suitably reused, to the extent feasible, in the proposed construction (e.g., as fill materials for embankments). The disposal of remaining debris shall be carried out only at sites identified and approved by the project Engineer. The Contractor should ensure that these sites: (i) are not located within designated forest areas; (ii) do not impact natural drainage courses; and (iii) do not impact endangered/rare flora. Under no circumstances shall the Contractor dispose of any material in environmentally sensitive areas.

34. In the event any debris or silt from the sites is deposited on adjacent land, the Contractor shall immediately remove such debris or silt and restore the affected area to its original state to the satisfaction of the Supervisor/Engineer.
35. Bentonite slurry or similar debris generated from pile driving or other construction activities shall be disposed of to avoid overflow into the surface water bodies or form mud puddles in the area.
36. All arrangements for transportation during construction, including provision, maintenance, dismantling and clearing debris, where necessary, will be considered incidental to the work and should be planned and implemented by the contractor as approved and directed by the Engineer.
37. Vehicle/machinery and equipment operations, maintenance and refueling shall be carried out to avoid spillage of fuels and lubricants and ground contamination. An oil interceptor will be provided for wash down and refueling areas. Fuel storage shall be located in proper bounded areas.
38. All spills and collected petroleum products shall be disposed of in accordance with standard environmental procedures/guidelines. Fuel storage and refilling areas shall be located at least 300 m from all cross drainage structures and important water bodies or as directed by the Engineer.

Codes of Practice for Prevention and Mitigation of Environmental Impacts

Potential Impacts	Prevention and Mitigation Measures
<p>Disruption of drainage:</p> <ol style="list-style-type: none"> 1. Hampers free drainage, causes stagnant pools of water. 2. Increased sediments into ponds, streams, and rivers due to erosion from road tops and sides. 3. Increased run-off and flooding. 	<ol style="list-style-type: none"> 1. Design to provide adequate drainage and to minimize changes in flows, not limited to the road reserve. 2. Provision of energy dissipaters, cascades, steps, and checks dams. 3. Provision of sufficient number of cross drains. 4. Balancing of cut and fill. 5. Re-vegetation to protect susceptible soil surfaces. 6. Rehabilitation of borrow areas.
<p>Erosion:</p> <ol style="list-style-type: none"> 1. Erosion of land downhill from the road bed, or in borrowing areas. 2. Landslides, slips, or slumps. 3. Bank failure of the borrow pit. 	<ol style="list-style-type: none"> 1. Design to prevent soil erosion and maintain slope stability. 2. Construction in the dry season. 3. Protection of soil surfaces during construction. 4. Physical stabilization of erodible surfaces through turving, planting a wide range of vegetation, and creating slope breaks. 5. Rehabilitation and re-grading of borrow pits and material collection sites.
<p>Loss of vegetation</p>	<ol style="list-style-type: none"> 1. Balancing of cut and fill. 2. Re-vegetation to protect susceptible soil surfaces. 3. Minimize loss of natural vegetation during construction. 4. Re-vegetation and replanting to compensate any loss of plant cover or tree felling.
<p>Loss of access</p>	<ol style="list-style-type: none"> 1. Design to include accessibility to road sides in case roadbed is raised. 2. Alternative alignments to avoid bisecting villages by road widening.
<p>Impacts during construction:</p> <ol style="list-style-type: none"> 1. Fuel wood collection. 2. Disease due to lack of sanitation. 3. Introduction of hazardous wastes. 4. Groundwater contamination (oil, grease). 5. Accidents during construction. 6. Potential impacts to cultural property. 7. Increased migration from nearby cities. 	<ol style="list-style-type: none"> 1. Provision of fuel at work camps to prevent cutting of firewood. 2. Provision of sanitation at work camps. 3. Removal of work camp waste, proper disposal of oil, bitumen, and other hazardous wastes. 4. Management of construction period worker health and safety. 5. Use archaeological chance find procedures and coordinate with appropriate agencies. 6. Provide comprehensive community participation in planning, and migration issue to be resolved through local conflict resolution system.

Attachment 7: Guidelines for Preparation of Environmental and Social Management Plans

1. The Environmental Assessment (EA) process involves the identification and development of measures aimed at eliminating, offsetting, and/or reducing environmental and social impacts to levels that are acceptable during implementation and operation of the projects. As an integral part of EA, ESMP provides an essential link between the impacts predicted and mitigation measures specified within the EA and implementation and operation activities. The World Bank guidelines state that detailed ESMPs are essential elements for Category “A” projects, but for many Category “B” projects, a simple ESMP will suffice. While there are no standard formats for ESMPs, it is recognized that the format needs to fit the circumstances in which the ESMP is being developed and the requirements that it is designed to meet.
2. UAT-EPT is preparing a standard ESMP in a format suitable for inclusion as technical specifications in the contract documents. ESMPs should be prepared after taking into account comments and clearance conditions from both the relevant agency providing environmental clearance and the World Bank. Given below are the important elements that constitute an ESMP.

a. Description of Mitigation Measures

3. Feasible and cost-effective measures to minimize adverse impacts to acceptable levels should be specified with reference to each impact identified. Further, the Environmental Management Plan (EMP) should provide details on the conditions under which the mitigation measure should be implemented. The EMP should also distinguish between the type of solution proposed (structural and non-structural) and the phase in which it should become operable (design, construction, and/or operation). Efforts should also be made to mainstream environmental and social aspects wherever possible.

b. Monitoring program

4. To ensure that the proposed mitigation measures have the intended results and comply with national standards and World Bank requirements, an environmental performance monitoring program should be included in the EMP. The monitoring program should give details of the following:
 - Monitoring indicators to be measured for evaluating the performance of each mitigation measure (for example: national standards, engineering structures, extent of area replanted, etc.).
 - Monitoring mechanisms and methodologies.
 - Monitoring frequency.
 - Monitoring locations.

c. Institutional arrangements

5. Institutions/parties responsible for implementing mitigation measures and for monitoring their performance should be clearly identified. Where necessary, mechanisms for institutional coordination should be identified, as often monitoring tends to involve more than one institution.

d. Implementing schedules

6. Timing, frequency, and duration of mitigation measures with links to the overall implementation schedule of the project should be specified.

e. Reporting procedures

7. Feedback mechanisms to inform the relevant parties on the progress and effectiveness of the mitigation measures and monitoring itself should be specified. Guidelines on the type of information wanted and the presentation of feedback information should also be highlighted.

f. Cost estimates and sources of funds

8. Implementation of mitigation measures mentioned in the EMP will involve an initial investment cost as well as recurrent costs. The costs for implementing the EMP will be included in the subproject design, as well as in the bidding and contract document to ensure that the contractors will comply with the mitigation measures.

Annex 10: Economic and Financial Analysis

MG–EMERGENCY SUPPORT TO EDUCATION FOR ALL PROJECT (P132616)

Macroeconomic Context

1. **Successive political and economic crises have negatively affected Madagascar’s economic development.** Between 1997 and 2001, GDP grew at about 4 percent per year, while inflation was kept under control. The 2002 political crisis halted this trend, and GDP dropped by about 12 percent. The impact of the 2002 crisis was substantial, but economic growth quickly rebounded and remained positive until 2008. GDP growth reached 5.3 percent in 2004, 6.2 percent in 2007, and 7.1 percent in 2008. Since early 2009, the political crisis has caused a decline in economic growth, exacerbated by the negative impact of the global financial turmoil on export-oriented activities. In 2009, Madagascar experienced negative GDP growth of approximately 4 percent. By 2010, a weak rebound was underway, with growth estimated at slightly above 0 percent. The dramatic fall in GDP growth, combined with an increase in population growth of about 2.8 percent annually, led to a sharp decline of per capita GDP in 2009 and 2010. Per capita GDP rebounded in 2011 but did not yet reach its 2008, pre-crisis level.

Table 1: Key Macroeconomic and Poverty Indicators

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
GDP growth	-12.4	9.8	5.3	4.6	5.0	6.2	7.1	-4.1	0.53	0.54
Fiscal revenue ²	7.7	10.0	10.9	10.1	10.7	11.4	13.0	10.7	10.9	11.0
Grants ²	1.6	4.5	8.2	5.7	9.8	4.3	3.4	1.2	1.0	1.9
Total government expenditure ³	14.7	19.0	25.1	21.2	21.3	18.7	18.7	15.5	14.2	14.8
Poverty rate	81		72.1	68.9				77		
Rural	86		77.3	73.5				82		
Urban	62		53.7	52				54		

Source: World Bank calculations and World Economic Outlook Database, April 2012, IMF.

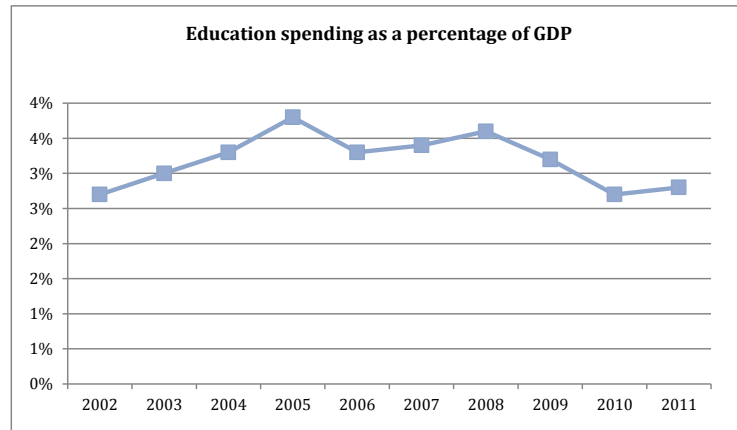
¹ Percentage change in annual average of consumer prices. ² As percent of GDP, PREM Madagascar data. ³ Current account balance as percent of GDP after current grants, PREM Madagascar data. ⁴ National Household Survey, 2010.

2. **The most recent economic crisis translated into substantially reduced domestic and external resources and a sharp decline in government spending.** Madagascar’s capacity to generate resources from tax revenues is one of the lowest in Sub-Saharan Africa (SSA) and has been decreasing since 2008. Fiscal revenue, already low before the crisis at 13 percent of GDP in 2008, constituted only 11 percent of GDP in 2011. In addition, contrary to some other countries, prudent fiscal and monetary policies have helped to keep the macroeconomic framework under control, with reasonable fiscal and external balances, and relatively stable financial indicators. The reduction in domestic resources was exacerbated by a sharp decline in external funding, from a disbursed US\$ 943 million in 2007 to US\$ 53 million in 2011. The overall decline in domestic and external aid led to significant cuts in government spending, which accounted for 14 percent of GDP in 2011, down from 18.6 percent in 2008.

Education Financing

Figure 1: Total Education Expenditure as Percentage of GDP

3. **The decrease in domestic revenues and in external aid since the start of the crisis severely impacted the level of resources available for the education sector.** Public expenditures on education, as a share of GDP, decreased from 3.6 percent in 2008 to only 2.8 percent in 2011 (Figure 1), representing a 30 percent reduction in constant



Source: IESP, 2013.

2010 prices. Spending per capita—that is, per primary student—decreased by MGA 10,000 (about US\$ 5), representing a 15 percent decline from 2008 to 2011.

- In spite of the government’s overall limited fiscal space, there is strong commitment for achieving the Millennium Development Goals of primary education for all and gender equity, as indicated by the clear budget priority for education.** Total recurrent public education spending constituted 19 percent of total recurrent government spending in 2011. Primary education received the largest share of recurrent education expenditure, with 56 percent in 2011, which is a higher share than in most Sub-Saharan African countries. Recurrent primary education expenditure consists predominantly in paying salaries (89 percent in 2011), whereas goods, such as learning supplies and services, account for only a small share of about 11 percent of expenditures. The relatively low recurrent spending on pedagogical supplies and materials negatively impacts the availability of basic learning materials in schools and requires household contributions to meet this gap in public spending.
- In addition to public financing, households contribute substantially to the financing of education.** In 2010, parents financed about 19 percent of total primary education expenditures and 30 percent of lower and upper secondary total education expenditures.⁴⁹ Families spent 3.1 percent of their total household expenditure on education in 2010, compared to only 2.1 percent in 2005. Family spending on schooling increased not only in relative but in absolute terms: Per capita education spending amounted to MGA 16,897 (US\$ 8.45) in 2005 and MGA 18,926 (adjusted to constant 2005 prices, US\$ 9.46) in 2010. The percentage of family education expenditures also grew for each consumption quintile, including the poorest (see Table 2) from 2005 to 2010.

Table 2: Education Expenditure of Total Household Expenditure by Quintile (percentage)

⁴⁹ 2010 National Household Survey.

Consumption quintile (%)	2005	2010
1	2.2	2.4
2	1.9	2.6
3	1.5	2.6
4	1.8	3.0
5	2.4	3.4
Total	2.1	3.1

5. **In 2010, the largest share of private primary spending went to school fees**, (42 percent) which to a large extent finance community teachers in public schools, followed by pedagogical materials (35 percent), food expenditures (14 percent), and other expenses, such as transport (8 percent). This composition of household expenditures for education has remained stable over the period from 2001 to 2010. The expenditures just mentioned represent only the direct costs of schooling to households and do not reflect indirect costs such as opportunity costs (for example, school children being unavailable to help with field work or household chores).⁵⁰

4. **The proposed operation will finance around 10 percent of the total cost of the IESP.** The estimated cost of the IESP is US\$ 821 million over three years, including 80 percent of recurrent costs and 20 percent investment (Table 3). External financing is supposed to finance about three-quarters of the total cost, including 13 percent of recurrent funding and 80 percent of investment. This proposed Grant is expected to contribute to the financing of about 10 percent of the total cost of the IESP, most of it being spent on primary education.

Table 3: Financing of the Interim Education Sector Plan

	2010–11	2012–13	2013–14	2014–15	2015–16	Total 2013–16	
	2011	2013	2014	2015	2016	MGA billion	US\$ million
Total spending	400.9	521.3	582.9	607.5	615.8	1,806.2	821.0
Recurrent	400.9	445.2	462.5	485.6	512.1	1,460.2	663.7
Investment	0.0	76.1	120.4	121.9	103.7	346.1	157.3
Total resources							
Recurrent	400.9	445.2	462.5	485.6	512.1	1,460.2	663.7
Domestic	378.1	371.1	392.8	418.8	447.7	1,259.2	572.4
External	22.8	74.1	69.7	66.8	64.4	201.0	91.4
Investment		76.1	120.4	121.9	103.7	346.1	157.3
Domestic		22.0	22.0	22.0	23.0	67.0	30.5
External		54.1	98.4	99.9	80.7	279.1	126.8
Total external financing						480.0	218.2

⁵⁰ Analysis from the 2010 household survey indicates that the number of children below five years of age in a family increases the probability of school dropout of older siblings. This suggests that children are requested to quit school to take care of younger siblings.

Analysis of Main Education Features of the Project

5. **Recent evidence on the determinants of school dropouts in Madagascar guided the selection of the proposed interventions.**⁵¹ An analysis of changes in education outcomes since the beginning of the crisis sheds light on the most important factors to consider for maintaining access to basic education services. The analysis identified the rising private (informal) costs of education as the main driver of school dropouts and failure to enroll. While the indirect costs of schooling are an important consideration for households, especially opportunity costs, the direct costs, which include—community teacher salaries and school grants—are the two largest items that households were required to contribute. By supporting the very inputs that impact enrolment the most, the project is expected to have a significant impact on preserving basic education services.

6. **Two categories of teachers exist in public primary schools: civil servant and community teachers.** Community teachers are hired and are/were originally or partially financed by parents' associations. To cope with rapidly increasing enrolment in primary education, which grew from 2.4 million in 2001 to 4.3 million in 2010, and to alleviate the financial burden on parents, the government decided in 2002 to subsidize the payment of progressively greater numbers of these community teachers. Since then, the number of community teachers has grown rapidly, from 31,512 in 2006 to 55,686 in 2010. This massive recruitment of community teachers and government support for their salaries enabled Madagascar to significantly expand its total primary teaching force, from 49,410 in 2000 to 81,791 in 2010, and provide education at a lower direct cost to families. By 2010, about 67 percent of all public primary school teachers were community teachers, of which nearly 71 percent received government-subsidized salaries in 2011. Parents have had to step in to bridge the government financing gaps arising from the crisis.

7. To alleviate the direct costs of education to poor families, the project plans to support four months of salary payments to about 10,000 community teachers (that is, those who are not civil servants) in the targeted 12 regions.

6. **The unit cost of one month of salary for a community teacher is MGA 110,000 (about US\$ 55),** compared to the monthly unit cost of a civil servant teacher, which on average is MGA 380,000 (about US\$ 175). An analysis of spending on teacher salaries/subsidies demonstrates that the cost of community teachers is considerably lower than that of civil servant teachers, even if expenditures for community teacher subsidies were to increase gradually over time. Tables 4 and 5 illustrate results of estimates of the numbers of teachers, expenditures on civil servant salaries, as well as subsidies to community teachers, assuming that the government fully supports all of them.⁵² The unit cost of one month of community teacher subsidy under this project is estimated at US\$ 87, which includes not only the community teacher salaries but financing of a school-level verification and accountability mechanism for the subsidized teachers and capacity

⁵¹ World Bank. 2013, Analysis of the impact of the crisis on education outcomes in Madagascar, forthcoming 2013).

⁵² These projections and estimates are based on the following assumptions: (i) annual attrition rate of civil servant teachers of 4 percent; (ii) no more unsubsidized community teachers by 2016; and (iii) a new, downwardly revised pay scale for new civil servant teachers.

strengthening for parents' associations. The analysis indicates that project support to community teacher salaries is cost-efficient.

Table 4: Estimated Number of Teachers in the 12 Project Regions

Type of teacher	Actual		Projected				
	2010	2011	2012	2013	2014	2015	2016
Existing civil servant	26,235	26,698	25,630	24,605	23,621	22,676	21,769
New civil servant			0	0	2,825	5,967	9,430
FRAM subsidized	37,481	39,585	44,294	50,446	54,180	57,707	63,002
FRAM unsubsidized	16,712	16,101	13,316	10,530	7,745	4,960	0

Note: FRAM = Parents' Association.

Table 5: Estimated Teacher Salaries and Subsidy Expenditures (MGA billion)

Type of teacher	Actual		Projected				
	2010	2011	2012	2013	2014	2015	2016
Community teachers	41.19	44.98	51.74	62.68	77.28	90.05	103.99
Civil servant teachers	128.09	120.18	120.33	114.05	108.97	115.0	123.05

7. **The very active school management committees (FAF), which consist of parents, teachers, the school director, and other community members,⁵³ have been in existence in each school since 2002, when the government started providing annual grants to schools on a per capita basis to cover part of schools' operating expenses.** Two approaches could be adopted for the acquisition of basic supplies and school maintenance: (i) centralized acquisition by the ministry or district and subsequent distribution to schools or (ii) local acquisition based on each school's individual needs. Although centralized purchasing may reduce unit costs due to larger quantities, direct costs are associated with transporting and stocking materials, and indirect costs are associated with distributing centrally purchased supplies through the administrative chain to schools. Another consideration is that centralized purchasing may not correspond to the actual needs of schools. The second approach is currently used and will be adopted by the project, because it is considered more cost-efficient.

8. **This component also comprises capacity building for the FAF to improve budget transparency and the effective management and use of the grant, based on a school action plan.** The school management committees have been in place since 2002 in all schools, are very active, and play a critical role in improving accountability of service delivery and promoting community engagement and social dialogue among local stakeholders. This type of institution has been highlighted as a critical element in improving community social ties and reducing

⁵³ World Bank (2012a).

fragility.⁵⁴ Many African countries have introduced school grants, with largely positive effects, such as improved enrolment and attendance.⁵⁵

9. **In addition to the activities mentioned above, the project also finances new classroom construction, the rehabilitation of classrooms, and school feeding program in targeted vulnerable areas to improve the learning environment.** The subcomponent will finance the construction of 200 classrooms with adequate latrines and water access in targeted schools using a “community empowerment” approach. Several studies in sub-Saharan Africa and Latin America have found that an improvement in school conditions had a positive effect on learning outcomes.^{56,57} Recent evidence from Ghana found a positive association between the availability of toilets, water, and electricity on student test scores.⁵⁸

Cost-benefit of Investment in Basic Education

10. **The critical role of education in human capital formation, economic growth, and development has been extensively documented.**⁵⁹ At the individual level, people with more schooling tend to be more productive, earn more, be healthier, have fewer children, and be more likely to send their children to school.^{60,61} The priority investment in primary education in Madagascar is justified, because access to primary education continues to be a challenge in Madagascar despite almost a decade of progress.

11. **International evidence indicates that primary education provides the highest benefit in terms of social outcomes per dollar spent on education, compared to lower and upper secondary education.** Table 6 highlights the positive effect of educational attainment on total social outcomes (defined as the average across the social outcomes of child bearing, antenatal health, child health and development and poverty, HIV/AIDS, and the use of media).

⁵⁴ World Bank, Political and Social Dynamics in Madagascar: Implications for the Design of a New Multi-sector Program (draft, June 8, 2012).

⁵⁵ World Bank (2007). <<complete the citation?>>

⁵⁶ Duarte, J., C. Gargiulo, and M. Moreno. 2011. “School Infrastructure and Learning in Latin American Elementary Education: An Analysis Based on the SERCE.” Inter-American Development Bank Technical Note No. 277. Inter-American Development Bank, Washington, DC.

⁵⁷ Hanushek, E.A. 1995. “Interpreting Recent Research on Schooling in Developing Countries.” *World Bank Research Observer* 10(2): 227–46.

⁵⁸ Joseph, G., and Q. Wodon. 2012. “Test Scores in Ghana’s Primary Schools: Measuring the Impact of School Inputs and Socio-Economic Factors.” World Bank, Washington, DC.

⁵⁹ Hanushek and Woessmann 2007, Heyneman, Jamison and Montenegro 1984; World Bank 2011. <<complete citations?>>

⁶⁰ Duflo, E. 2001. “Schooling and Labor Market Consequences of School Construction in Indonesia: Evidence from an Unusual Policy Experiment,” *American Economic Review* 91(4): 795–814.

⁶¹ Psacharopoulos, G. 1993. “Returns to Investment in Education. A Global Update.” Working Paper No. 1067. World Bank, Washington, DC.

Majgaard, K., and A. Mingat. 2012. *Education in Sub-Saharan Africa: A Comparative Analysis*. Washington, DC: World Bank.

⁶¹ Hanushek and Woessmann 2009. <<complete citation?>>

Table 6: Contribution to Social Outcomes by Year of Education, Average for Sub-Saharan Africa

	Basic education (6 years)	Lower secondary education (4 years)	Upper secondary education (2 years)
Share of total change in social outcome (0–12 years) contributed by (average across all social dimensions)	47.7%	34.0%	18.3%
Contribution to total social outcome per year of schooling (a)	8.0%	8.5%	9.2%
Per student cost per year of schooling (expressed in multiples of GDP per capita) (b)	11.5	24.4	57.1
“Benefit to cost ratio” (a/b)	69	35	16

Source: Majgaard and Mingat 2011.

12. **Each year of basic education contributes 8.0 percent to the total impact, compared to 8.5 percent for each year of lower secondary year and 9.2 percent for an additional year of upper secondary schooling.** The benefit-to-cost ratio, defined as the ratio of the contribution to total social outcome of each year of schooling to per student cost per year of schooling, is 69 for basic education. Given the much higher costs of secondary education, the benefit-to-cost ratio drops to 35 for lower secondary and to 16 in the case of upper secondary education. This result implies that it is much more cost-effective to invest in basic education than in secondary education.

13. **Analysis of 2010 household survey data indicates that annual salaries increase with the level of schooling.** Salaries are estimated at MGA 676,000 for those who have never been to school and about MGA 2,830,000 for those with a university degree. As the proposed project focuses on primary education, it is important to examine the gains that an additional year of primary education can provide, by estimating the wage income of an individual (or consumption per adult in a household) according to age (or age of the head of household) and number of years of education, according to whether the individual has never attended school or has a primary-level education.

14. **Given the cost-effectiveness of investing in primary education overall and the imperatives of the Education for All Initiative and Millennium Development Goals within a resource-constrained environment, the proposed project will therefore focus on primary education.**

Annex 11: Lessons Learned and Reflected in the Project Design

MG–EMERGENCY SUPPORT TO EDUCATION FOR ALL PROJECT (P132616)

1. **The design of the project reflects key lessons learned from strong analytical work carried out by MEN and its partners on the education sector as well as previous GPE and Bank operations in the region (Table 1).**

Table 1: Key Lessons Integrated into the Project Design

Lessons Learned	Integration in Project Design
<p>Aligning with the government’s vision and priorities is a key factor in facilitating ownership. Especially during times of political uncertainty and transition, some external donors channel their aid through parallel mechanisms, using their own methodology and limiting consultation with the government.</p>	<p>The Ministry of Education has developed an Interim Education Sector Plan (IESP) 2013–16. The activities of the proposed emergency project are based on the strategies and expected results outlined in the plan, and as such clearly reflect the needs and priorities of the education sector.</p>
<p>It is important to be able to demonstrate quick and visible results in a context of longer-term capacity building and system strengthening. Studies of Bank reconstruction projects in 52 conflict-affected countries emphasized the importance of projects to quickly respond to the most immediate needs of the sector (such as keeping schools operational, supporting teachers, and providing students with the necessary educational materials) and to concurrently build capacity to lay the groundwork for improving the system.</p>	<p>The project will focus on responding to immediate needs, which include support to school operating expenses, by providing students with basic learning supplies through school grants and subsidizing community teacher salaries. The project will also build on existing capacity to further support and empower communities by scaling up school construction and feeding programs.</p>
<p>Active community involvement in service delivery is a major success factor in many operations, as demonstrated, for example, in the Niger Basic Education Project. School-based management committees can play a key role in improving accountability, but their capacity needs to be built and strengthened.</p>	<p>In parallel, capacity-building activities will focus on the regional and local level, most notably on school-based management committees (i.e., the school management committees) and parents’ associations.</p>
<p>A focus on capacity building for local stakeholders to improve implementation efficiency is key. Implementation of previous GPEF Grants revealed that stakeholders would benefit from capacity building as well as the establishment of strong accountability and monitoring mechanism at all levels.</p>	<p>This project will focus on: (i) strengthening institutional capacity, in particular the planning and monitoring functions of the Ministry of Education, to ensure that the system has the capacity to rebound once the political crisis is resolved; (ii) building capacity of local communities to manage their schools, enhance accountability, and monitor education performance; and (iii) project management, supervision, monitoring, and evaluation.</p>
<p>Strengthen accountability in the process used to certify that teachers have rendered services. The current certification mechanism, which attests that a teacher has indeed worked at a particular school during the past two months for which he/she will be paid, does not involve the teacher but is handled only by the school principal and parents’ association. This procedure creates the potential for collusion in creating a ghost teacher.</p>	<p>Under the project, the format of and process related to the certificate will be improved by: (i) involving the direct beneficiary (the teacher) in the process in addition to the school director and parents’ association; (ii) adding a section in which the teacher requests his/her payment before approval by the school principal and the parents’ association; and (iii) including information on the teacher’s presence at the school in the form.</p>

<p>Improving the quality of teacher training is a complex task, as illustrated in findings from case studies in eight African countries. The case studies identified a need to improve pre-service training (prioritize pedagogical methods, align teacher training to the school curriculum, and ensure teachers have proficiency in the language of instruction) and in-service training (increase training opportunities to unqualified teachers as well as qualified teachers and provide opportunities for ongoing professional development opportunities). The study also found that it is crucial to include training for head teachers, who often have the role of providing support, supervision, and training for the teachers in their schools.</p>	<p>Given the complexities around teacher training, the project, through a phased approach, will support a diagnostic of the existing teacher training system, followed by the development of in-service training and support materials for community teachers and short- to medium-term training for school directors, inspectors, and pedagogic advisors at the CISCO level.</p>
<p>Ensure school grants are disbursed to schools before the start of the school year. For the last few years, budget constraints have prevented the government from providing schools with sufficient operating budgets in time for the school year, with the result that parents often have to cover the funding shortfall.</p>	<p>The timely disbursement of school grants in advance of or at the start of the school year will be essential to prevent any additional expenses for parents. Mechanisms are already in place to ensure the provision of grants to school committees in a timely manner, such as the use of existing, tested financial service providers, among others.</p>
<p>Experience from the previous implementation of the school construction program demonstrates strong capacity and an ability to organize at the community level. A UAT-EPT evaluation found that approaches through municipalities/villages (<i>communes</i>) and communities outperformed a centralized approach of school construction at the national level. The unit cost of a classroom was lower on average for subprojects managed by communes or communities than for construction managed by a centralized contract management authority. In addition, the evaluation found that the highest efficacy (shortest duration for the execution of the construction) is achieved through the community empowerment approach. The Bank's experience in other countries shows that a community empowerment approach has been especially efficient in quickly delivering basic infrastructure in the aftermath of crises or disasters. This approach has also proven effective in bringing communities together as well as building trust between local communities and administration.</p>	<p>The school construction component will be implemented through a community empowerment approach, building on previous experience and incorporating the results of an evaluation carried out in 2009. The project will work closely with communities to ensure proper procurement and financial management.</p>
<p>School feeding programs significantly improve the growth and cognitive performance of disadvantaged children. Research in other countries as well as Madagascar has shown that providing in school meals, mid-morning snacks, and take-home rations through school feeding programs can alleviate short-term hunger, can increase children's ability to concentrate, and has been linked to an increase in the enrolment of girls.</p>	<p>Three regions of southern Madagascar that are particularly vulnerable to severe food insecurity will benefit from school canteens. The canteens are expected to help supporting learning by helping children concentrate better during the school day.</p>

<p>Community-based school feeding programs (in Togo, Indonesia, Cambodia, and other countries) have promoted ownership and social cohesion. Characteristics that may be important in explaining successful community-based school feeding programs include the involvement of a range of community stakeholders, engagement with existing village administrative structures, scope for local community adaptation and innovation, and the use of local foods (which dispersed benefits to the local economy and ensured sustained implementation). In addition, it is important for proper monitoring and evaluation mechanisms to be in place at the community level to ensure dietary balance (food fortification) and proper use of funding by communities.</p>	<p>The proposed project will support the World Food Programme’s school feeding programs and, in parallel, gradually introduce community-based school canteens. This approach will allow the project to pilot the new initiative as well as resolve any implementation challenges before considering the scaling up of the program. Close supervision and monitoring, as well as significant capacity building, will accompany this activity.</p>
---	--

Annex 12: Other Major Donor Interventions

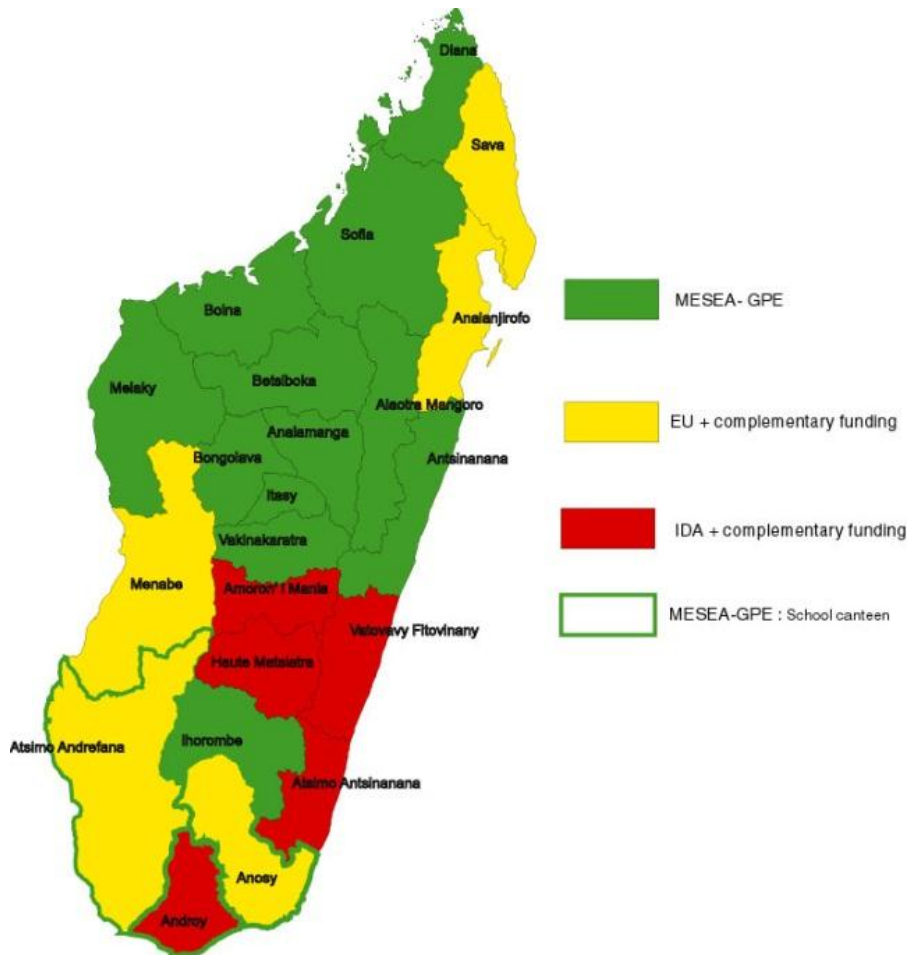
MG–EMERGENCY SUPPORT TO EDUCATION FOR ALL PROJECT (P132616)

Major partners to the primary education sector include: AFD, EU, Norway, UNICEF, and the World Bank:

1. **AFD:** AFD provides technical assistance to the Ministry of Education for institutional strengthening and teacher training (especially in French). It also supports school canteens through WFP. AFD is currently identifying a new operation that will start in 2013 and focus on improving the quality of primary and secondary education. The main activities include the development of French manuals, teacher training in selected regions (10,000 community teachers), training of school principals in selected regions (5,000 school principals), support to junior and senior secondary education in mathematics and science (targeting 220 secondary schools), and institutional development at the central level (department of Human Resources and Department of Planning) and at the regional, district, and ZAP levels.
2. **European Union:** The EU-financed PASSOBA for Education operates in five regions of Madagascar (Analanjirifo, Anosy, Atsimo Andrefana, Menabe, and Sava) starting in 2013. Key activities consist of payment of community teacher salaries for four months of the year, school grants, community teacher training, training of school heads, and institutional development at the regional, district, ZAP, and school levels. In addition, EU will contribute to filling the financing gap for 2013 (stemming from the closing of the GPEF Grant in December 2012) by supporting community teacher salaries during four months in 12 regions that are not covered by EU and IDA projects, in addition to school kits and school canteens.
3. **Norway:** Norway's support for education is channeled through the United Nations Agencies: UNICEF (curricula and learning manual development), WFP (non-food support to the three regions targeted by WFP) and International Labour Organization (school construction).
4. **UNICEF:** UNICEF supports Early Childhood Development, girls' secondary education, school construction, school-based management (through the –school performance contracts, Contrat Programme pour la Reussite Scolaire, CPRS), and teacher training (through the development of teacher networks). UNICEF operates in seven regions: Analanjirifo, Androy, Anosy, Atsimo Atsinanana, Diana, Melaky, and Sofia. Within the context of its new program, which will start in 2014, UNICEF will consider targeting different regions of intervention to ensure alignment with the IESP and coordination with the IESP.
5. **World Bank:** The MESEHN aims to contribute to preserving critical education, health, and nutrition services in five regions (Amoron'i Mania, Androy, Atsimo Antsinanana, Haute Matsiatra, and Vatovavy-Fitovinany). The operation, for US\$ 65 million total, includes US\$ 25 million earmarked for education in support to community teacher salaries, school grants, and school health.
6. **The proposed operation aims to complement these interventions by ensuring that all regions of Madagascar benefit from a package of activities essential to the basic**

functioning of the primary education system. In addition to other activities, the IESP identifies a package of interventions that are vital to the preservation of a rapidly deteriorating primary education sector. This package of essential interventions includes: (i) subsidies to community teacher salaries; (ii) the provision of school kits; (iii) key training activities for community teachers; (iv) school grants; (v) school feeding activities in selected regions with severe food insecurity; and (vi) school infrastructure improvement. Several partners (EU and World Bank) have already committed to supporting part of these activities, but their interventions are often limited to a set of regions. To ensure complementarity and avoid overlap, this operation will target 12 regions that are not covered by new EU and World Bank projects. The regions selected for funding under the Grant will all receive the package of essential interventions, whereas in the other 10 regions, the package will be supported by a mix of funding. In addition to ensuring complementarity, the proposed targeting will facilitate the implementation and supervision of the Grant and will ultimately optimize impact. The proposed Grant, together with other domestic and externally funded programs and projects, constitutes an effective program to achieve the IESP objectives and will significantly contribute to rebuilding Madagascar's primary education system.

All regions of Madagascar will receive a package of interventions essential to the basic functioning of the system



Annex 13: Documents in Project Files

MG–EMERGENCY SUPPORT TO EDUCATION FOR ALL PROJECT (P132616)

Ministry of Education. 2013. PIE—Plan intérimaire de l'éducation. Antananarivo.

Pôle de Dakar. 2012. Household Education Spending—An Analytical and Comparative Perspective for 15 African Countries. UNESCO-BREDA, Dakar.

World Bank. 2013. Les effets de la crise sur le choix éducatifs des ménages. Antananarivo.

World Bank. 2012. Nutrition, education, and household wealth in two districts in Madagascar (draft).

World Bank. 2012. Political and social dynamics in Madagascar: Implications for the design of a new multi-sector program (draft, June).

Annex 14: Statement of Loans and Credits

MG-EMERGENCY SUPPORT TO EDUCATION FOR ALL PROJECT (P132616)

Operations Portfolio (IBRD/IDA and Grants)

As Of Date 11/1/2012

Closed Projects 100

<u>IBRD/IDA *</u>	
Total Disbursed (Active)	488.94
of which has been repaid	1.76
Total Disbursed (Closed)	1,174.30
of which has been repaid	114.77
Total Disbursed (Active + Closed)	1,663.24
of which has been repaid	116.53
Total Undisbursed (Active)	123.04
Total Undisbursed (Closed)	0.00
Total Undisbursed (Active + Closed)	123.04

Active Projects

Project ID	Project Name	<u>Last PSR</u>			Fiscal Year	<u>Original Amount in US\$ Millions</u>			<u>Difference Between Expected and Actual Disbursements^{af}</u>			
		<u>Development Objectives</u>	<u>Implementation Progress</u>	Supervision Rating		IBRD	IDA	GRANT	Cancel.	Undisb.	Orig.	Frm Rev'd
P095240	MG -Pwr/Wtr Sect. Recove U		U	✓	2007	10			5.804805	5.2990771		
P113134	MG-Emerg. Food Sec. & R S		S	✓	2009	40			3.944244	2.4404381	0.386459	
P074235	MG-Env Prgm 3 (FY04) MS		MS	✓	2004	82		0.55615463	32.65055	-7.157436		
P088887	MG-GEF Irrigation & Water MU		MS	✓	2009		5.9		5			
P103950	MG-Governance & Inst. De U		U	✓	2008	40		7.99999861	16.12408	26.757118		
P083351	MG-Integ Growth Poles MS		S	✓	2006	169.8		4.99999952	29.03137	-7.025275	21.33239	
P074086	MG-Irrigation & Watershed MS		MS	✓	2007	30			13.11355	11.933919		
P090615	MG-MultiSec STI/HIV/AIDS S		S	✓	2006	36			8.287203	0.815439		
P051922	MG-Rural Dev Supt SIL (FY MS		MS	✓	2001	119.05		1.22763138	2.403543	-37.83985	-7.83985	
P073689	MG-Rural Transp APL 2 (F MS		S	✓	2003	80			11.68483	0.4598093	-0.02486	
Overall Result						606.85	5.9	14.78378414	128.0442	-5.216758	13.85415	

Annex 15: Country at a Glance

MG-EMERGENCY SUPPORT TO EDUCATION FOR ALL PROJECT (P132616)

Madagascar at a glance

4/5/12

Key Development Indicators

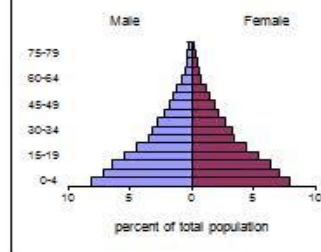
{2010}

	Madagascar	Sub-Saharan Africa	Low income
Population, mid-year (millions)	20.7	853	796
Surface area (thousand sq. km)	587	24,243	15,551
Population growth (%)	2.9	2.5	2.1
Urban population (% of total population)	30	37	28
GNI (Atlas method, US\$ billions)	8.8	1,004	421
GNI per capita (Atlas method, US\$)	430	1,176	528
GNI per capita (PPP, international \$)	960	2,148	1,307
GDP growth (%)	1.6	4.8	5.9
GDP per capita growth (%)	-1.3	2.3	3.7

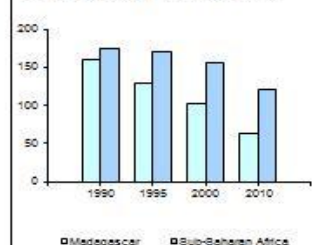
{most recent estimate, 2004-2010}

Poverty headcount ratio at \$1.25 a day (PPP, %)	81	48	..
Poverty headcount ratio at \$2.00 a day (PPP, %)	93	69	..
Life expectancy at birth (years)	66	54	59
Infant mortality (per 1,000 live births)	43	76	70
Child malnutrition (% of children under 5)	37	22	23
Adult literacy, male (% of ages 15 and older)	67	71	69
Adult literacy, female (% of ages 15 and older)	62	54	54
Gross primary enrollment, male (% of age group)	150	104	108
Gross primary enrollment, female (% of age group)	147	95	101
Access to an improved water source (% of population)	46	61	65
Access to improved sanitation facilities (% of population)	15	31	37

Age distribution, 2010



Under-5 mortality rate (per 1,000)



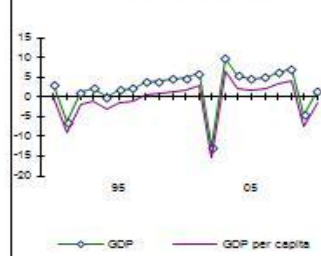
Net Aid Flows

	1980	1990	2000	2010
<i>{US\$ millions}</i>				
Net ODA and official aid	230	397	320	473
<i>Top 3 donors (in 2010):</i>				
France	54	143	46	84
United States	0	22	32	77
European Union Institutions	20	36	20	40
Aid (% of GNI)	5.7	13.4	8.4	5.5
Aid per capita (US\$)	27	35	21	23

Long-Term Economic Trends

Consumer prices (annual % change)	..	11.8	10.7	9.6
GDP implicit deflator (annual % change)	15.0	11.5	7.2	8.1
Exchange rate (annual average, local per US\$)	42.3	298.8	1,353.5	2,090.0
Terms of trade index (2000 = 100)	..	83	100	48
Population, mid-year (millions)	8.6	11.3	15.4	20.7
GDP (US\$ millions)	4,042	3,081	3,878	8,721
		<i>{% of GDP}</i>		
Agriculture	30.1	28.6	29.2	28.1
Industry	16.1	12.8	14.2	16.0
Manufacturing	..	11.2	12.2	14.1
Services	53.9	58.6	56.6	54.9
Household final consumption expenditure	89.3	86.4	83.2	79.4
General gov't final consumption expenditure	12.1	8.0	9.0	11.6
Gross capital formation	15.0	17.0	15.0	33.0
Exports of goods and services	13.3	16.6	30.7	28.8
Imports of goods and services	23.7	28.0	38.0	52.8
Gross savings	-2.4	9.2	9.4	18.8

Growth of GDP and GDP per capita (%)



1980-90 1990-2000 2000-10
{average annual growth %}

1980-90	2.7	3.1	3.0
1990-2000	1.1	2.0	3.4

	<i>{% of GDP}</i>		
1980-90	2.5	1.8	2.4
1990-2000	0.9	2.4	4.2
2000-10	2.1	2.0	5.1
	0.3	2.3	3.6
1980-90	-0.7	2.2	2.0
1990-2000	0.5	0.0	5.5
2000-10	4.9	3.3	14.1

1980-90	-0.8	3.8	6.7
1990-2000	-5.7	4.1	8.7

Note: Figures in italics are for years other than those specified. .. indicates data are not available.

Development Economics, Development Data Group (DECDG).

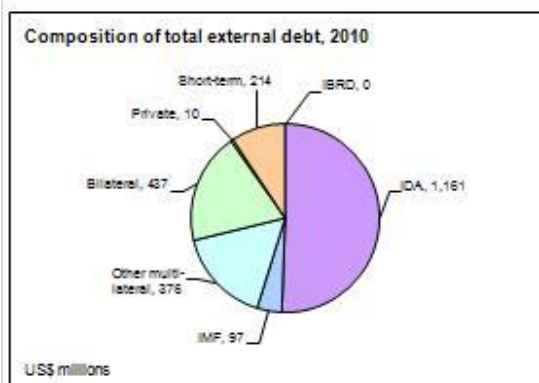
Balance of Payments and Trade	2000	2010
<i>(US\$ millions)</i>		
Total merchandise exports (fob)	829	1,148
Total merchandise imports (cif)	1,097	2,493
Net trade in goods and services	-283	-2,027
Current account balance	-218	-1,888
as a % of GDP	-5.6	-21.4
Workers' remittances and compensation of employees (receipts)	11	//
Reserves, including gold	288	1,343

Central Government Finance

<i>(% of GDP)</i>		
Current revenue (including grants)	12.4	12.1
Tax revenue	11.3	10.5
Current expenditure	9.6	10.6
Overall surplus/deficit	-6.5	-3.7
Highest marginal tax rate (%)		
Individual	..	..
Corporate	..	..

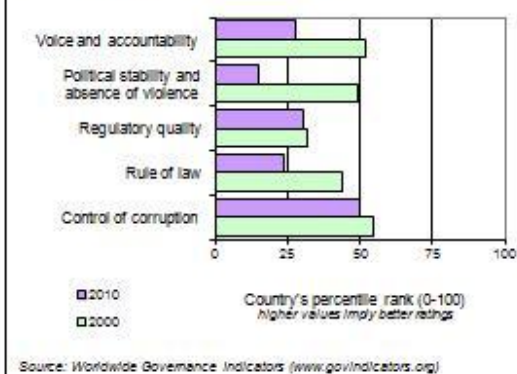
External Debt and Resource Flows

<i>(US\$ millions)</i>		
Total debt outstanding and disbursed	4,691	2,295
Total debt service	117	56
Debt relief (HIPC, MDRI)	1,224	1,584
Total debt (% of GDP)	121.0	26.3
Total debt service (% of exports)	9.7	1.4
Foreign direct investment (net inflows)	83	860
Portfolio equity (net inflows)	0	0



Private Sector Development	2000	2011
Time required to start a business (days)	-	8
Cost to start a business (% of GNI per capita)	-	12.1
Time required to register property (days)	-	74
Ranked as a major constraint to business (% of managers surveyed who agreed)	2000	2010
Access to/cost of financing	..	68.7
Corruption	..	46.1
Stock market capitalization (% of GDP)	..	..
Bank capital to asset ratio (%)	7.1	..

Governance indicators, 2000 and 2010



Technology and Infrastructure	2000	2010
Paved roads (% of total)	11.6	..
Fixed line and mobile phone subscribers (per 100 people)	1	38
High technology exports (% of manufactured exports)	0.6	1.0

Environment

Agricultural land (% of land area)	70	70
Forest area (% of land area)	22.6	21.6
Terrestrial protected areas (% of land area)	3.1	3.1
Freshwater resources per capita (cu. meters)	20,626	16,746
Freshwater withdrawal (% of internal resources)	4.4	4.4
CO2 emissions per capita (mt)	0.12	0.10
GDP per unit of energy use (2005 PPP \$ per kg of oil equivalent)	..	..
Energy use per capita (kg of oil equivalent)	..	..

World Bank Group portfolio

<i>(US\$ millions)</i>		
IBRD		
Total debt outstanding and disbursed	0	0
Disbursements	0	0
Principal repayments	0	0
Interest payments	0	0
IDA		
Total debt outstanding and disbursed	1,378	1,161
Disbursements	94	76
Total debt service	27	10
IFC (fiscal year)		
Total disbursed and outstanding portfolio	8	49
of which IFC own account	8	37
Disbursements for IFC own account	1	4
Portfolio sales, prepayments and repayments for IFC own account	2	2
MIGA		
Gross exposure	1	25
New guarantees	0	27

Note: Figures in italics are for years other than those specified.

.. indicates data are not available. - indicates observation is not applicable.

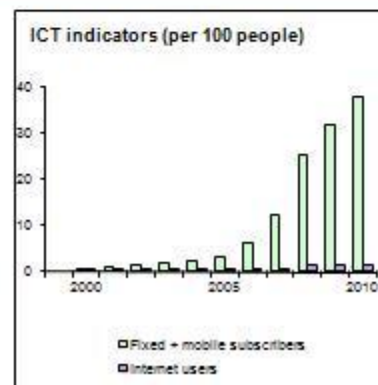
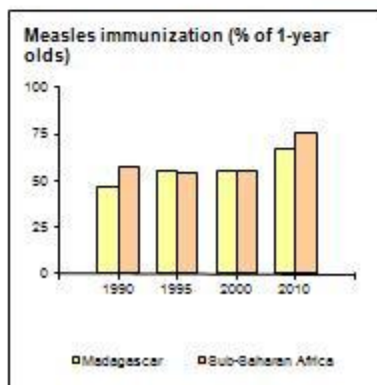
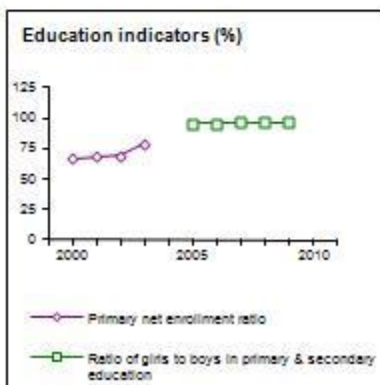
4/5/12

Millennium Development Goals

Madagascar

With selected targets to achieve between 1990 and 2015
(estimate closest to date shown, +/- 2 years)

	Madagascar			
	1990	1995	2000	2010
Goal 1: halve the rates for extreme poverty and malnutrition				
Poverty headcount ratio at \$1.25 a day (PPP, % of population)	..	<i>72.0</i>	<i>78.3</i>	81.3
Poverty headcount ratio at national poverty line (% of population)	..	<i>73.3</i>	<i>69.6</i>	<i>68.7</i>
Share of income or consumption to the poorest quintile (%)	..	<i>6.1</i>	<i>4.9</i>	5.4
Prevalence of malnutrition (% of children under 5)	<i>38.5</i>	<i>40.9</i>	..	..
Goal 2: ensure that children are able to complete primary schooling				
Primary school enrollment (net, %)	70	58	67	..
Primary completion rate (% of relevant age group)	37	31	37	72
Secondary school enrollment (gross, %)	19	..	<i>16</i>	<i>31</i>
Youth literacy rate (% of people ages 15-24)	..	..	70	<i>65</i>
Goal 3: eliminate gender disparity in education and empower women				
Ratio of girls to boys in primary and secondary education (%)	96	..	<i>96</i>	<i>97</i>
Women employed in the nonagricultural sector (% of nonagricultural employment)	..	<i>31</i>	..	<i>38</i>
Proportion of seats held by women in national parliament (%)	7	<i>4</i>	8	<i>8</i>
Goal 4: reduce under-5 mortality by two-thirds				
Under-5 mortality rate (per 1,000)	159	129	102	62
Infant mortality rate (per 1,000 live births)	97	81	65	43
Measles immunization (proportion of one-year olds immunized, %)	47	55	55	67
Goal 5: reduce maternal mortality by three-fourths				
Maternal mortality ratio (modeled estimate, per 100,000 live births)	710	680	580	<i>440</i>
Births attended by skilled health staff (% of total)	<i>57</i>	<i>47</i>	46	<i>44</i>
Contraceptive prevalence (% of women ages 15-49)	<i>17</i>	<i>19</i>	19	<i>40</i>
Goal 6: halt and begin to reverse the spread of HIV/AIDS and other major diseases				
Prevalence of HIV (% of population ages 15-49)	0.2	0.2	0.2	<i>0.2</i>
Incidence of tuberculosis (per 100,000 people)	177	196	217	266
Tuberculosis case detection rate (% all forms)	31	84	<i>47</i>	<i>44</i>
Goal 7: halve the proportion of people without sustainable access to basic needs				
Access to an improved water source (% of population)	29	33	38	46
Access to improved sanitation facilities (% of population)	9	11	12	15
Forest area (% of total land area)	23.5	..	22.6	21.6
Terrestrial protected areas (% of land area)	2.2	2.3	3.1	3.1
CO2 emissions (metric tons per capita)	0.1	0.1	0.1	<i>0.1</i>
GDP per unit of energy use (constant 2005 PPP \$ per kg of oil equivalent)	..	..	..	..
Goal 8: develop a global partnership for development				
Telephone mainlines (per 100 people)	0.3	0.3	0.4	0.7
Mobile phone subscribers (per 100 people)	0.0	0.0	0.4	37.2
Internet users (per 100 people)	0.0	<i>0.0</i>	0.2	1.7
Computer users (per 100 people)	..	..	..	..



Note: Figures in italics are for years other than those specified. .. indicates data are not available.

4/5/12

Annex 16: Maps

MG-EMERGENCY SUPPORT TO EDUCATION FOR ALL PROJECT (P132616)

IBRD 33439R



MAY 2011