

## **U.S. Position on the World Bank's Madagascar – Improving Nutrition Outcomes Using the Multiphase Programmatic Approach**

December 13, 2017

One of Madagascar's most pressing development challenges is to address widespread chronic malnutrition, a major impediment to each child reaching his or her full potential. The proposed program's multi-sectoral interventions, which support an integrated package of services during pregnancy, during and after childbirth, and in the early years of a child's life, have the potential to greatly reduce the prevalence of stunting in Madagascar and improve human development indicators.

The program is ambitious, aiming to reduce the current rate of stunting from 47 percent to 33 percent in 10 years, and its success will largely depend on a sustained commitment by the authorities to push through needed reforms over many years and follow-on investments. This is a complex scheme, one that will require effective management and supervision, complemented by robust data collection, to ensure that quality services are well-targeted and delivered across the country. It will undoubtedly require stronger institutions, particularly at the local level. Therefore, we greatly welcome the program's emphasis on sharing knowledge and building capacity.

As the first World Bank program using the new Multiphase Programmatic Approach (MPA), the proposal warrants special attention. In particular, the United States reviewed carefully whether the information provided in this program appraisal document (PAD) is in line with what had been anticipated coming out of MPA discussions over the summer. The United States made clear during those discussions that the United States has significant reservations about ceding important Board oversight in the absence of greater accountability and transparency; the MPA's delegation to Management requires the Board to keenly focus on future phases at the time of Board consideration. While the United States worked with Management during the design of the MPA to address these concerns, how MPAs are implemented is of great interest.

The United States believes this PAD could have been more explicit in several areas to assure the Board and broader public that the Bank is implementing the new MPA well, and that the MPA will not undermine Board oversight, Bank transparency, or the application of the Bank's safeguards. Some relatively minor additions would have significantly improved the PAD and would have enabled all to understand the proposed project better. Ideally, the United States would like to see these additions added in the PAD before it is made public to help improve the reception that this first MPA will receive. Specifically:

- ***On transparency:*** Affected communities, the general public, and shareholders should be provided a timeframe for when future phases will be prepared, considered, and approved by Management. The Bank's intent to provide this information publicly and in a timely manner should be explicit in all MPA PADs. Given that there will not be a Board date for the second and third phases, affected communities and the public need to be given the necessary information about when key decisions on future phases will be taken. This may require some improvements to the Bank's IT system. The United States expects that all relevant

documentation of future phases of an MPA, including this one, will be disclosed as it would if the phases were standalone projects.

- ***On lessons learned:*** One of the key benefits of an MPA is that the lessons learned in the earlier phases can help improve the design of future phases. MPA PADs should outline how the Bank will identify key issues to be tested in each phase and establish monitoring and assessment protocols that enable data to be collected to lead to useful learning. The United States found the level of discussion around learning insufficient in the Madagascar PAD and call on the Bank to ensure this is addressed in future MPA PADs.
- ***On environmental and social safeguards:*** While this project does not envision large social and environmental impacts (given its focus on nutrition), future MPAs may entail greater risks. MPA PADs should alert the Board (and the public) about the potential risks and impacts of future phases, as required by the policy, so that the Board can make informed decisions, based on good analytics and risk assessments relevant to the entire MPA. If this is not possible, the MPA approach may not be the proper approach for the proposed intervention. As agreed during the MPA discussions, an MPA PAD should explicitly discuss the envisaged environmental and social risks and impacts of each phase in turn and should explicitly discuss the type of due diligence that may be needed on future phases (in addition to the basic assurance that the appropriate due diligence will be carried out). Depending on the nature of the proposal, it may be appropriate to do a strategic or sectoral environmental and social impact assessment as a means of better understanding risks beyond Phase 1 activities. It is also critically important that the Board be apprised if there are important uncertainties in future phases, such as sector, instrument, location or private sector engagement, and the implications of such uncertainties for environmental and social safeguards. Management needs to instruct staff to consider thoroughly any risks that are likely in future phases and detail how they will be addressed at the time the first phase is brought to the Board for approval.

In addition, the United States understands that Management is in the process of developing procedures, guidance, and directives that will instruct staff on how to develop and implement an MPA. The United States would like to underline the importance of having clear, consistent guidance so that staff can prepare and implement a quality MPA. The United States will be looking for these instructional documents to be prepared soon.

The United States looks forward to hearing from Management on how they intend to address these concerns in this and future MPAs. To be clear, U.S. support will depend on *inter alia* whether future MPA program documents provide greater clarity on disclosure and consultation, environmental and social risk management, and how lessons learned will be applied to future phases.