AFRICAN DEVELOPMENT FUND

MADAGASCAR

BAS-MANGOKY IRRIGATION SCHEME REHABILITATION
AND EXTENSION PROJECT

PROJECT PREPARATION FACILITY

(PPF)

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AGRICULTURE AND AGRO-INDUSTRY DEPARTMENT

OSAN
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1. INTRODUCTION

1.1 Background Information

1.1.1 The Government of Madagascar and the Bank identified the agricultural sector as one of their priorities in the “Madagascar Action Plan” and the Country Strategy Paper (CSP) 2005-2009, respectively. The proposal to extend the CSP until end-2013, maintaining the same initial pillars (strengthening of rural infrastructure and governance), was recently submitted to the Bank for approval after the October 2011 mission undertaken to assess the country’s situation. The Bas Mangoky Irrigation Scheme Rehabilitation Project (PRBM), which was financed by the Bank and closed on 31 December 2009, produced very encouraging results (35,000 tons of paddy produced and average output per hectare of 6 tons). A supplementary ADF loan was approved on 3 December 2008 for the construction of a new water uptake structure. Due to the political crisis in which the country has found itself since January 2009, the project only became effective in December 2011. Apart from securing the achievements of the PRBM, this uptake structure will offer fresh opportunities for extending the scheme.

1.1.2 A Bank mission visited Madagascar in July 2008 to, among other things, identify a site for the extension of the Bas-Mangoky Irrigation Scheme. The mission helped to identify studies necessary for finalizing the project preparation. In August 2008, the Government of Madagascar submitted a request to the ADF for a PPF advance to finance these studies and confirmed that the project was listed among operations that the Government intended to pursue under ADF XI (letter of the Minister of Finance – October 2008). The PPF will allow for conducting the following studies: extension zone development studies, study to complete the rehabilitation of the existing scheme, the scheme protection study, the agricultural and geological study, the socio-economic study and the environmental and social impact assessment. Although the Bank had approved the PPF on 2 February 2009, it was subsequently cancelled because of the political crisis.

1.1.3 To launch preparatory activities of the Bas-Mangoky Irrigation Scheme Rehabilitation and Extension Project (PREBM), the Government of Madagascar, by letter No. 070-2011MFB/SG/DGT/DDP/RLR dated 8 February 2012, forwarded to the Bank a request for PPF financing of UA 500,000 with the same activities listed in the cancelled PPF.

1.2 Project Objective and Description

1.2.1 The project objective is to contribute to reducing rural poverty in Madagascar. The specific objective of PREBM is to increase agricultural production by developing collective irrigation infrastructure and strengthening farmers’ organizations.

1.2.2 PREBM will have the following activities: (i) rehabilitation of irrigation infrastructure and extension of the existing scheme, namely: develop an area of about 500 ha within the current scheme, develop an extension zone of 7,000 to 10,000 ha, protect the scheme and conduct studies related to these investment (PD, FD, ESIA, agricultural and geological studies); (ii) securing lands allocated to farmers: this will entail providing necessary support to enable farmers in the extension zone to have access to land through the issue of land certificates; (iii) support for farmers and their organisations: the project will support farmers in managing water and maintaining infrastructure, and give them the necessary technical backing to increase agricultural production and yields; and (iv) project management.
1.3 Rationale for the Use of PPF Advance

1.3.1 To ensure good project quality at entry, preliminary and final design studies for scheme rehabilitation and extension need to be conducted and bidding documents finalized during project preparation. Moreover, the project requires an environmental and social impact assessment, considering the land area to be developed. Since Government faces budgetary constraints, recourse to the PPF to finance the above-mentioned activities is an appropriate answer to mobilize resources needed to prepare the project.

1.3.2 PREBM will enable additional agricultural production of about 48,750 tons of paddy (based on an assumption of a newly developed area of 7,500 ha, yields of 5 tons per hectare and cropping intensity of 1.3). The 2008 and 2011 CSP reviews indicate that it is part of the cooperation programme between the Bank and Madagascar under ADF XII (CSP Pillar 1: development of rural infrastructure, particularly agricultural infrastructure). Consequently, the studies proposed for PPF financing will culminate in a project that will be presented to the AfDB Board in 2014.

2. DESCRIPTION OF PPF ACTIVITIES

2.1 Description of Studies

The electronic version of the detailed terms of reference (TOR) of the envisaged studies is available at OSAN and can be consulted upon request. A summary of the TOR is attached as Annex 4.

2.1.1 Extension Zone Development Study

The extension zone covers 7,000 to 10,000 ha of usable farming area. Since its development had already been the subject of a simplified study in 1983-1984, this study will involve reviewing the earlier study in greater detail, validating development proposals and studying other possibilities not considered in 1983-84. The consultant will study the technical feasibility of each development plan proposed and assess its cost to enable the client to choose the appropriate variant for which a preliminary design will be prepared. The study will concern the irrigation and drainage networks, farm roads, the clearing, smoothing and parcelling of the scheme, and the re-sizing of scheme’s intake structures.

2.1.2 Study to Complete the Rehabilitation of the Current Scheme

The final design study and preparation of bidding documents will concern developments inside the current scheme that were not completed during Phase I. These are terminal structures to be constructed between the S 114 and S 121 secondary canals, the drainage network in the western section of the scheme and farm roads along the main and secondary networks.

2.1.3 Scheme Protection Study

The study concerns preparatory works of the PD, FD and bidding documents. The PD comprises: (i) a detailed topographic survey of all embankment sections to be protected; (ii) a complete diagnosis of the embankment with an inventory of degradations and sensitive points needing repair and protection; (iii) a review to validate the results of past studies on
protection mechanisms; (iv) proposal of projects for repairing damages observed and protecting embankment sections threatening to give way or under direct attack from River Mangoky by appropriate mechanisms (herringbone or similar structure), while completing works already begun as part of the 2009 emergency assistance; and (v) the summary technical and financial studies of proposed solutions. This study and the resulting works are of high priority both for scheme extension and the existing scheme.

2.1.4 Agricultural and Geological Studies

During this study, the consultant will take samples with a view to drawing a soil map of the extension zone. Based on the results of the soil study, s/he will also prepare the cropping aptitude map.

2.1.5 Socio-economic Study

The aim of this study is to: (i) identify and analyse ways and means (strategy), different aspects of activities to be carried out and implementation modalities (methodological approach) allowing for the optimum development of the newly developed scheme; (ii) propose dynamic development scenarios and models that suit the socio-economic and organizational realities of the zone, without discarding those developed during the first phase of the project or their alternatives; (iii) propose the mainstreaming of the needs of women and youth in the project; and (iv) study the economic returns on the envisaged investments.

2.1.6 Environmental and Social Impact Assessment

The environmental and social impact assessment will allow for identification and definition of the project’s negative and positive impact on the environment, propose mitigative or improvement measures, propose an Environmental and Social Management Plan (ESMP) containing modalities for implementing these measures, prepare a population resettlement and compensation plan, if necessary, and the related financing. Furthermore, since the scheme is located in a cyclone-prone area, the study shall consider setting up a decentralized early warning system specific to the zone and include necessary measures during infrastructure design for reducing the impact of such natural events. The Environmental and Social Impact Assessment shall comply with the requirements of the Malagasy environmental legislation (Decree MECIE) and Bank procedures.

2.2 Description of Expected Outcomes

The PPF advance requested by the Government of Madagascar will help to: (i) prepare the FD of irrigation infrastructure, farm roads and protection dyke, assess the costs of works and prepare bidding documents for these works based on standard Bank documents; (ii) prepare an agricultural/soil study and a socio-economic study of the extension zone; (iii) assess the economic returns on investments envisaged; and (iv) prepare an environmental and social impact assessment of the proposed infrastructure.

3. ESTIMATED COST OF PREPARATORY ACTIVITIES

3.1 Detailed Estimated Cost of Studies

The detailed estimated cost, net of taxes and customs duty, in foreign exchange and local currency, is given in the table below (in UA):
Table 3.1
Estimated Cost of PPF Activities

<table>
<thead>
<tr>
<th>CHAPTERS</th>
<th>Units</th>
<th>Quantities</th>
<th>Unit Prices</th>
<th>L.C.</th>
<th>For. Exc.</th>
<th>Amounts</th>
</tr>
</thead>
<tbody>
<tr>
<td>I. Consultant’s Fees</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1. Water Engineer or Rural Engineering Task Manager</td>
<td>Staff months</td>
<td>7</td>
<td>15000</td>
<td>-</td>
<td>105,000</td>
<td>105,000</td>
</tr>
<tr>
<td>2. Civil Engineer/Geo-technical Engineer</td>
<td>Staff months</td>
<td>3</td>
<td>12,000</td>
<td>-</td>
<td>36,000</td>
<td>36,000</td>
</tr>
<tr>
<td>3. Hydraulic Engineer</td>
<td>Staff months</td>
<td>3</td>
<td>12,000</td>
<td>-</td>
<td>36,000</td>
<td>36,000</td>
</tr>
<tr>
<td>4. Agro-economist</td>
<td>Staff months</td>
<td>3</td>
<td>12,000</td>
<td>-</td>
<td>36,000</td>
<td>36,000</td>
</tr>
<tr>
<td>5. Agronomist</td>
<td>Staff months</td>
<td>2</td>
<td>3,000</td>
<td>6,000</td>
<td>-</td>
<td>6,000</td>
</tr>
<tr>
<td>6. Sociologist</td>
<td>Staff months</td>
<td>4</td>
<td>3,000</td>
<td>12,000</td>
<td>-</td>
<td>12,000</td>
</tr>
<tr>
<td>7. Environmentalist</td>
<td>Staff months</td>
<td>3</td>
<td>12,000</td>
<td>-</td>
<td>36,000</td>
<td>36,000</td>
</tr>
<tr>
<td>8. Other staff (surveyors, survey interviewers and others)</td>
<td>MONTHS</td>
<td>5</td>
<td>14,000</td>
<td>70,000</td>
<td>-</td>
<td>70,000</td>
</tr>
<tr>
<td>II. Other Expenses</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1. Soil survey report</td>
<td>LUMP SUM</td>
<td>-</td>
<td>20,000</td>
<td>20,000</td>
<td>-</td>
<td>20,000</td>
</tr>
<tr>
<td>2. Geotechnical study</td>
<td>LUMP SUM</td>
<td>-</td>
<td>24,000</td>
<td>24,000</td>
<td>-</td>
<td>24,000</td>
</tr>
<tr>
<td>3. Communication and publishing of reports</td>
<td>LUMP SUM</td>
<td>-</td>
<td>10,000</td>
<td>1,000</td>
<td>9,000</td>
<td>10,000</td>
</tr>
<tr>
<td>4. Car rental</td>
<td>LUMP SUM</td>
<td>-</td>
<td>21,000</td>
<td>21,000</td>
<td>-</td>
<td>21,000</td>
</tr>
<tr>
<td>5. Subsistence allowances</td>
<td>LUMP SUM</td>
<td>-</td>
<td>48,000</td>
<td>48,000</td>
<td>-</td>
<td>48,000</td>
</tr>
<tr>
<td>6. Public hearings and final workshop for ESIA</td>
<td>LUMP SUM</td>
<td>-</td>
<td>8,000</td>
<td>8,000</td>
<td>-</td>
<td>8,000</td>
</tr>
<tr>
<td>III. Reimbursable Expenses</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1. International travel</td>
<td>NUMBER</td>
<td>5</td>
<td>3,000</td>
<td>-</td>
<td>15,000</td>
<td>15,000</td>
</tr>
<tr>
<td>2. Satellite images</td>
<td>LUMP SUM</td>
<td>-</td>
<td>10,000</td>
<td>-</td>
<td>10,000</td>
<td>10,000</td>
</tr>
<tr>
<td>IV. SUB-TOTAL: COSTS OF STUDIES</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>493,000</td>
</tr>
<tr>
<td>V. Audit</td>
<td>LUMP SUM</td>
<td>-</td>
<td>7,000</td>
<td>-</td>
<td>7,000</td>
<td>7,000</td>
</tr>
<tr>
<td>VI. SUB-TOTAL CONSULTANCY SERVICES</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>500,000</td>
</tr>
<tr>
<td>VII. Operation</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1. Staff salaries (3 experts for 8 months)</td>
<td>MONTHS</td>
<td>24</td>
<td>250</td>
<td>6,000</td>
<td>-</td>
<td>6,000</td>
</tr>
<tr>
<td>2. Miscellaneous operating expenses</td>
<td>LUMP SUM</td>
<td>-</td>
<td>4,600</td>
<td>6,000</td>
<td>-</td>
<td>6,000</td>
</tr>
<tr>
<td>GRAND TOTAL</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>227,000</td>
</tr>
</tbody>
</table>
3.2 Financing Plan

The financing plan is given in the table below (in UA). Government’s share, representing 5.3% of the local currency cost, will cover the salaries of staff involved in the studies as well as operating expenses.

<table>
<thead>
<tr>
<th>Source of Financing</th>
<th>Foreign Exchange</th>
<th>Local Currency</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>ADF</td>
<td>285,000</td>
<td>215,000</td>
<td>500,000</td>
</tr>
<tr>
<td>Government</td>
<td>0</td>
<td>12,000</td>
<td>12,000</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>285,000</strong></td>
<td><strong>227,000</strong></td>
<td><strong>512,000</strong></td>
</tr>
</tbody>
</table>

4. SERVICES PROCUREMENT METHOD

The services of consulting firms for the studies (UA 498,000) and the audit (UA 7,000) will be procured through consultation based on short lists. The Quality and Cost-Based Selection (QCBS) method will be used in recruiting the consulting firm to conduct the studies. The auditor will be selected through the Least-Cost Selection (LCS) method.

5. EXECUTING AGENCY AND IMPLEMENTATION SCHEDULE

The PPF will be implemented by the Directorate of Rural Engineering (DGR) of the Ministry of Agriculture, Livestock and Fisheries. DGR has solid experience in preparing and implementing irrigation projects. It already successfully implemented similar PPF activities that served to finance the preparatory phases of the Manombo Irrigation Scheme Rehabilitation Project (on-going). Study-related activities will span 17 months beginning from the agreement effectiveness date (date on which the Government countersigns the letter of agreement). The activities will be implemented as per the following schedule:

<table>
<thead>
<tr>
<th>Activities / Actions</th>
<th>Responsibility</th>
<th>Period</th>
</tr>
</thead>
<tbody>
<tr>
<td>Board approval</td>
<td>ADF</td>
<td>M0</td>
</tr>
<tr>
<td>Signature of letter of agreement</td>
<td>ADF</td>
<td>M0+1</td>
</tr>
<tr>
<td>Publication of the Call for Expression of Interest</td>
<td>Government</td>
<td>M0+1</td>
</tr>
<tr>
<td>Preparation of Calls for Proposal and of the short list of consultants</td>
<td>Government/ADF</td>
<td>M0+3</td>
</tr>
<tr>
<td>Launching of Calls for Proposal</td>
<td>Government</td>
<td>M0+3</td>
</tr>
<tr>
<td>Evaluation and selection of consulting firms</td>
<td>Government</td>
<td>M0+6</td>
</tr>
<tr>
<td>ADB approval and signature of contracts</td>
<td>Government/ADF</td>
<td>M0+7</td>
</tr>
<tr>
<td>Completion of studies, bidding documents</td>
<td>Consultants</td>
<td>M0+17</td>
</tr>
<tr>
<td>Conduct of audit at the end of PPF activities</td>
<td>Government</td>
<td>M0+23</td>
</tr>
</tbody>
</table>

6. FINANCING ARRANGEMENTS

6.1 Refinancing and Reimbursement of Advances

The Bas-Mangoky Irrigation Scheme Rehabilitation Project is expected to be financed by ADF. Refinancing and reimbursement of the advance will be done, pursuant to financial provisions applicable to PPF advances.
6.2 **Suspension of Disbursement of PPF Advances**

Should it become necessary to suspend PPF advances, such suspension will comply with guidelines governing the use of PPF resources.

6.3 **Special Account**

There are no plans to open a special PPF account. Resources from the advance will be used exclusively to finance services of consultants charged with conducting the studies and for the audit. The direct payment method will be used to pay for these services.

6.4 **Audit Arrangements**

At the end of the PPF, a qualified audit firm will conduct one external audit, based on international standards. The Bank’s terms of reference will be adjusted to take into account the specificities of the PPF (PPF period, absence of special account, limited number of direct payments).

6.5 **Letter of Agreement and Annexes**

The draft letter of agreement and its annexes (scope, conditions and modalities of the advance, and financial provisions applicable to PPF advances) is given as Annex 2.

7. **CONCLUSIONS AND RECOMMENDATIONS**

7.1 **Conclusion**

The PPF advance requested by the Government of Madagascar will help finance preparatory studies of the Bas-Mangoky Irrigation Scheme Rehabilitation and Extension Project, as described in this memorandum. The project for which the studies are envisaged is included in CSP 2012-2013 as part of the cooperation programme between the Bank and Madagascar under ADF XIII.

7.2 **Recommendations**

In light of the foregoing, it is recommended to award to the Republic of Madagascar, from the resources of the Project Preparation Facility, an advance of an amount not exceeding the equivalent of Five Hundred Thousand Units of Account (UA 500,000)to finance studies related to the preparation of the Bas-Mangoky Irrigation Scheme Rehabilitation and Extension Project.
This map is provided by the African Development Bank exclusively for the use of the readers of the report to which it is attached. The names used and the borders shown do not imply on the part of the Bank and its members any judgement concerning the legal status of a territory nor any approval or acceptance of these borders.
His Excellency Hery RAJAONARIMAMPIANINA  
Minister of Finance and Budget  
ANTANANARIVO - Madagascar

Subject: Madagascar – Bas-Mangoky Irrigation Scheme Rehabilitation and Extension Project

Sir,

With reference to your Letter No. 070-2011MFB/SG/DGT/DDP/RLR dated 8 February 2012 related to financing studies linked to the preparation of the above project, we are pleased to inform you that the African Development Fund has favourably considered your request and has agreed to extend to the Republic of Madagascar (hereinafter referred to as “the Recipient”) the sum of UA 500,000 (five hundred thousand units of account) (hereinafter called “the advance”) to finance certain expenses required by studies related to the preparation of the Bas Mangoky Irrigation Scheme Rehabilitation and Extension Project.

This advance is granted for the purpose and under the terms and conditions stated in Appendices I and II attached hereto.

By confirming the agreement below, the Recipient declares that it has been authorized to contract, withdraw and reimburse the advance for the purpose and under the terms and conditions stipulated in the annexes of this letter of agreement.

A service fee of 0.75% yearly will be levied on amounts of the advance withdrawn, pursuant to paragraph 5 of the financial provisions applicable to project preparation advances, reiterated in Appendix II of this letter of agreement.

The financing of preparatory activities in no way constitutes or implies a commitment on the part of the Fund to contribute to financing the project targeted by the studies.

Kindly confirm your acceptance of the above terms on behalf of the Recipient, by signing, dating and returning to us the form attached to this letter. The agreement will become effective on the date of the Fund’s counter signature.

Yours sincerely,

AFRICAN DEVELOPMENT FUND  
By 
_________________________________  
Kamal ELKHESHEN  
Vice-President for Operations

REPUBLIC OF MADAGASCAR  
By 
_________________________________  
Hery RAJAONARIMAMPIANINA  
Minister of Finance and Budget

Date : ____________________________  
Date : ____________________________
Appendix I

Purpose, Terms and Conditions of the Advance

1. The advance is granted for the following activities, necessary to complete preparation of the project:

i) Extension zone development study;
ii) Study to complete rehabilitation of the existing scheme;
iii) Scheme protection study;
iv) Agricultural and soil study of the extension zone;
v) Socio-economic study;
vi) Environmental and social impact assessment;

2. Expenses to be financed are summarized in Table 3.1 of the main report.

3. Recipient will:

i) Carry out the above preparatory activities with diligence and efficiency;
ii) Promptly furnish funds, means, services and any other resources required for preparatory activities;
iii) Communicate to the Fund all information the Bank may reasonably request on these activities and on the use of advance resources; and
iv) Conduct periodic exchange of views with the Fund’s representatives on the progress and results of these activities.

4. The opening of a special account is not envisaged for this advance. Consultants will be paid for their services through the direct payment method.

5. The recipient will use consultants judged acceptable by the Fund following modalities and conditions that are satisfactory to the latter. Consultants will be selected based on principles and procedures deemed acceptable by the Fund and compliant with the Fund’s Rules of Procedure for the Use of Consultants (Mai 2008 edition). These consultants cannot be replaced and the terms and conditions of their use modified without the prior agreement of the Fund.

6. The withdrawal, use and reimbursement of the advance will be in accordance with the financial provisions applicable to project preparation advances (financial provisions) stated in Appendix III.

7. A service fee will be levied on the advance, pursuant to paragraph 6 of the financial provisions.

8. The date of ____________ is specified in paragraph 6 of the financial provisions. No withdrawal on the advance can be made past that date, and any unwithdrawn amounts will be cancelled, unless the Bank fixes another date for the purpose of paragraph 6.

9. Applications for withdrawal of the advance will be signed by the Minister of Finance and Budget or any other person designated in writing by this authorized Government representative. Authenticated signature specimens of persons thus delegated will accompany the first application for withdrawal.
Appendix II

Financial Provisions Applicable to Project Preparation Advances

1. In these provisions, the term ‘Fund’ shall mean the African Development Fund (the “Fund”).

2. The Fund shall disburse to the Recipient (Republic of Madagascar) resources of the project preparation advance to cover specific expenses specified in the letter of agreement on the advance. The Recipient shall present a written application for withdrawal in the form stipulated by the Fund. The application shall be signed by an authorized representative of the Recipient and accompanied by supporting documents of expenditure incurred or, if the Fund so agrees, those to be incurred.

3. The advance shall be disbursed in the currency agreed by the Fund and the Borrower, pursuant to the disbursement rules of the Fund.

4. Withdrawals shall be made solely to pay for expenses linked to services or goods from eligible countries under the Bank Rules of Procedure for the Procurement of Goods, Works and Services.

5. As specified by the Fund in the letter of agreement related to the advance, a service fee of 0.75% yearly shall be charged on all withdrawn and unreimbursed amounts of the advance.

6. Advance withdrawals and fees owed shall be reimbursed by the Recipient according to the following modalities:

   a) If, on or before the date agreed by Recipient and the Fund in the letter of agreement related to the advance, a loan was granted by the Fund to contribute to financing the project whose preparation is financed by the advance, any withdrawn and unreimbursed amount of that advance shall be reimbursed in whole to the Fund. This amount shall correspond to fees owed on the date of reimbursement. Reimbursement shall be made by withdrawing resources of that loan pursuant to the related terms of agreement, as soon as the agreement becomes effective.

   b) If no loan or grant was obtained on the date indicated in paragraph (a) above or if, on that date or any time subsequently, the agreement governing such loan or this ADF grant expired without becoming effective:

      i) where the amount of advance withdrawn does not exceed UA 20,000, the Recipient shall reimburse to the Fund the amount as well as any service fee owed at the time of reimbursement, on the date specified by the Fund in the notice served the Recipient; in any case, that date cannot apply less than 60 days after the date on which such notice was communicated; and
ii) where the amount of advance withdrawn exceeds UA 20,000, the amount shall be reimbursed by the Recipient in three equal annual tranches of the principal plus any service fees due on that amount, based on the amounts and dates specified by the Fund in the notice it serves the Recipient; in any case, the first tranche cannot be paid less than 60 days after the date such notice was served.

7. All payments to the Fund shall be made in the currency of disbursement of the advance or another currency agreed between the Fund and Borrower for an equivalent sum, pursuant to the Fund’s disbursement rules.

8. The Fund can at any time, by notice to the Recipient, suspend withdrawals on the advance if any of the following cases of suspension occur: (a) amounts withdrawn were not used for the purpose agreed by Recipient and the Fund; (b) preparatory activities are not compliant with the standards and methods agreed by the Recipient and the Fund; or (c) the Recipient’s right or that of any other entity to which the Fund grants a loan guaranteed by the recipient to make withdrawals by virtue of an ADF loan or grant agreement concluded with the Fund has been suspended.

9. The Fund can, any time after suspending withdrawals on the advance, cancel any unwithdrawn amount of the advance through notice to the recipient.
Objet : Demande de financement de la Préparation du Projet Bas-Mangoky - Phase II de 500.000 UC

Monsieur le Directeur,

J'ai l'honneur de vous demander de bien vouloir approuver la Présentation du Projet de Réhabilitation du Périmètre de Bas-Mangoky - Phase II, d'un montant de 500.000 UC.

Ce montant est destiné à la réalisation des études d'aménagement de la zone d'extension et à l'achèvement de la réhabilitation actuelle ainsi que de la protection du périmètre, de l'étude d'impact environnemental et social et de l'étude socio-organisationnelle et économique.

Vous trouverez ci-joint la fiche de projet y afférente.

Vous en souhaitant bonne réception,

Veuillez agréer, Monsieur le Directeur, l'assurance de ma considération distinguée.

Conte à

Monsieur OULD TOLBA
Agro Economiste OSAN 3
Département Agriculture § Agro-Industrie

- Représentant Résident de la BAD à Madagascar
Immeuble FITAKRA, 9e étage/Ankondraiso

- Monsieur le Directeur du Projet de Réhabilitation du Périmètre de Bas Mangoky - Toléar

[Signature]
DEMANDE AU MECANISME DE FINANCEMENT
DE LA PREPARATION DU PROJET

1. Titre du projet/étude ou programme : PROJET DE REHABILITATION DU PERIMETRE DE BAS MANGOKY- Phase 2

2. Pays : MADAGASCAR

3. Emprunteur : Gouvernement Malagasy

4. Organe d’exécution : MINISTERE DE L’AGRICULTURE

   a) Nom : Direction du Génie Rural
   b) Adresse : BP, 1061 ANTANANARIVO 101

5. Description des activités de préparations : Études d'aménagement de la zone d'extension et achèvement de la réhabilitation actuelle ainsi que de la protection du périmètre.

   Étude d'impact environnemental et social,

   Étude socio-organisationnelle et économique

6. Justification des activités de préparation : Les résultats des activités de préparation fourniront les outils de décision pour l'aménagement du périmètre de Bas-Mangoky proprement dit, ce qui permettrait d'accélérer la mise en œuvre du projet.

7. Coût estimatif du projet

   a) Devise : 385 000 UC
   b) Monnaie locale : 227.000 UC
   c) Montant total : 512.000 UC

8. Plan de financement

   a) FAD : 500.000 UC
   b) Gouvernement : 12.000 UC
   c) Total : 512.000 UC
9. Mode d'acquisition proposé
   a) Services : Appel d'offres international restreint
   b) Audit : Appel d'offres national
   c) Divers (salaire et fonctionnement local) : Sélection sur dossier

   - Joindre calendrier d’exécution

11. Preuve de l’engagement du Gouvernement à exécuter le projet, étude ou programme visé
   a) Expliquer et évaluer les chances du Gouvernement de réaliser le projet.
      C’est une extension des zones aménagées dans le cadre du projet de réhabilitation du périmètre de Bas-Mangoky, qui a été un succès en termes d’objectifs et d’indicateurs de projet d’investissements agricoles.

      Hery RAJAONARIMAMPIANINA
      Ministre des Finances et du Budget

   b) Indiquer le nom et la fonction du fonctionnaire qui signera la lettre d’accord
      ANDRIAMIFIDIMANANTSOA Maxime
      Léonard
      Directeur du Génie Rural
      Ministère de l’Agriculture

12. Signature/cachet du Ministère des Finances et du Budget membre régional

   Date : 
SUMMARY OF THE TERMS OF REFERENCE OF THE STUDIES

I. PURPOSE OF THE STUDIES

The studies will serve as a basis for preparing the extension of the Bas-Mangoky Irrigation Scheme. They concern the following four components: (i) scheme development study with three sub-components: extension zone development study; study to complete the rehabilitation of the current scheme and comprehensive scheme protection study; (ii) agronomic and soil studies; (iii) socio-economic studies; and (iv) environmental and social impact assessment (ESIA).

II. DESCRIPTION OF SERVICES REQUESTED

1. Extension Zone Development Study

This study concerns a land area of 7,000 to 10,000 ha for which a simplified study for its development was conducted in 1983-1984. Consequently, this study involves examining in greater detail the water projects identified in completed studies and proposing other possibilities not considered during those earlier studies. The consultant will study the technical feasibility and corresponding cost of each development variant proposed to enable the Client to choose the variant to be adopted and for which a final design (FD) will be prepared. The prospective study concerns the construction of infrastructure and facilities, including the irrigation network, drainage network and farm roads as well as the clearing, smoothing and parcelling of the developed land. The re-sizing of intake structures to accommodate the increased flow of irrigation water also falls within the scope of this study.

2. Study to Complete the Rehabilitation of the Current Scheme

This study will concern: (i) the construction of terminal structures; (ii) the rehabilitation of drainage networks; and (iii) the rehabilitation of farm roads.

3. Scheme Protection Study

This comprises the preliminary design (PD), the final design (FD) and the preparation of bidding documents (BD) for works.

The PD comprises: detailed topographic surveys, the complete diagnosis of the embankment and inventory of degraded sections and sensitive points, the review of previous studies for validation and summary technical and financial studies of solutions proposed. Proposals will be prioritized based on technical and costs considerations, on the basis of which the Client will choose the variant to be adopted and deepened in the FD.

PD Reports: The consultant will prepare a summary description of the technical feasibility, benefits and limits of each proposal adopted; detailed estimates per structure and work chapter,
and a preliminary works schedule. Drawn documents will comprise, at least: geo-technical profiles and sections in the right-of-way of structures, the general layout; the longitudinal section and cross-section of the planned structures; the sections; precise plans and reinforcement plans.

Bidding Documents for Works: For variants chosen by the Client, the bidding documents will be drafted based on the standard bidding documents for works of the African Development Bank. Drawn documents will be those furnished in the corresponding Final Design dossiers.

4. Soil Study

Within the framework of this study, the consultant will take samples to be studied in the laboratory, with a view to preparing the soil map of the extension zone. Based on the results, s/he will prepare a cropping aptitude map, taking into account possible changes in the determining factors of the current situation.

5. Socio-economic Study

The consultant shall undertake a socio-economic survey among farmers and future beneficiaries to properly identify target customers. Thus, s/he shall look into current farming conditions and identify the farmers’ perception of the constraints to agricultural intensification. Detailed surveys will be conducted by the consultant to look for the necessary socio-economic information.

The consultant will study the economic rationale of the project. To that end, s/he will define the no-project scenario and all accrued economic benefits calculated based on the value added generated by farmers. There are plans in this study to verify the profitability of the project by calculating the internal rate of return and, using parameters to be defined by the consultant, test the sensitivity of the ratio obtained.

6. Environmental Impact Assessment

The consultant will conduct an environmental and social impact assessment (ESIA) to allow for identification of the negative and positive impact of the second phase of the project, propose mitigative or improvement measures as well as an Environmental and Social Management Plan (ESMP) that will define the implementation modalities. The ESIA shall fulfil the requirements of Madagascar’s environmental legislation, the Bank’s environmental and social assessment procedures and its Policy of Involuntary Population Displacement and, where applicable, policies on cross-cutting issues (for instance, gender equity, poverty reduction).

7. Duration of Studies and Team Composition

The duration of studies is estimated at ten (10) months, including periods for approval of interim PD, FD and BD reports by Malagasy Government departments. The team will mainly comprise a Head of Mission, a water or rural engineer, a civil/geotechnical engineer, a hydrologist, an agro-economist, an agronomist, an environmentalist and a sociologist.