

ACP Business Friendly Program | Results Story

MADAGASCAR

World Bank led Macro-Level Intervention

Thanks to support provided by the World Bank Group through the ACP Business Friendly Program, the **island of Nosy Be carried out institutional reforms to reduce the time and cost of G2B services**, particularly for construction permits to support the island's sustainable development.

The ACP Business-Friendly (BF) Program is an intra-ACP action funded by the European Union and the Organisation of African, Caribbean and Pacific States. The program aims to support business-friendly and inclusive national and regional policies and strengthen productive capacities and value chains.

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WORLD BANK GROUP
Finance, Competitiveness & Innovation



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Capacity building and anchoring of the Construction permit commission in Nosy Be (May 2023)

THE CHALLENGE

Nosy Be, Madagascar's most important tourism destination, faces formidable challenges to the sustainability of its development. The island was put at risk by haphazard construction practices, exacerbated by the slow pace of permit issuance and procedural opacity, as informed by outdated construction permitting framework and procedures, including a master plan dating back to 2005. The urgency for reform was clear, as the island's potential for sustainable growth and development was hindered by these systemic issues.

THE SOLUTION

A World Bank (WB) team supported the Secretary General of the Urban Municipality of Nosy Be in strengthening its construction permitting process to support more sustainable development. As a first step, the team mapped the construction permitting procedures across all agencies with regulatory purview. Once mapped the team worked to identify inefficiencies in the procedures and provide recommendations in line with international best practice. To support the implementation of these changes, a local expert was enlisted to overhaul and update the Commune Urbaine de Nosy Be operations manual. The update encompassed all procedures and services under the municipality's purview, extending well beyond construction permitting. Moreover, it included a revised fee structure for various transactions, ensuring transparency and fairness in financial transactions.

Central to the reform effort was also the establishment of a dedicated Commission tasked with approvals. The primary aim of the Commission is to centralize, and therefore streamline, the permit approval process. The Commission meets bi-monthly, gathering all decision-makers to efficiently agree on which building permits are to be granted, and which are to be rejected. This model marks a departure from previous siloed approach.

Emphasis was also placed on the need to update the master plan, which had remained stagnant since 2005. As part of this effort, negotiations were facilitated between local and central authorities to transition to the Master Plan 2020 for issuing construction permits. A municipal decree was issued to formalize this transition toward more coordinated governance and sustainable development planning for Nosy Be.

EARLY RESULTS

The Commune Urbaine de Nosy Be has now achieved significant milestones. The convening of the inaugural, and subsequent, building review commission sessions marked a pivotal step forward in streamlining construction permitting processes. Furthermore, a mission in October 2023 saw the presentation of the final draft of the Standard Operating Procedures manual. Municipal personnel received comprehensive training on the outlined procedures, and invaluable feedback was collected to further refine the manual. Resulting improvements for businesses are significant, with a decrease in the rejection of building permit applications and improved start-to-completion timelines ranging from 6 to 10 months.

FUTURE OUTLOOK

Plans are underway to continue training CUNB personnel on the Standard Operating Procedures, ensuring seamless implementation. Additionally, the team plans to produce communication materials targeting end-users aims to enhance their understanding of the services offered by the CUNB, fostering transparency and accountability. The organization of a third construction permit commission session is on the horizon, signaling continued commitment to reform and sustainable development in Nosy Be.

WORLD BANK CONTACTS:

Jean Arlet, Private Sector Development Specialist;
jarlet@worldbank.org

Cristian Quijada Torres, Senior Private Sector
Development Specialist; cquijadatorres@worldbank.org

ADDITIONAL RESOURCES



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