
CREDIT NUMBER 7571-MG
CREDIT NO. 6245-MG (Third Amendment)
CREDIT 6818-MG (Second Amendment)

Financing Agreement

**(Second Additional Financing to the Integrated Urban Development and Resilience
Project for Greater Antananarivo)**

between

REPUBLIC OF MADAGASCAR

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

FINANCING AGREEMENT

AGREEMENT dated as of the Signature Date between REPUBLIC OF MADAGASCAR (“Recipient”) and INTERNATIONAL DEVELOPMENT ASSOCIATION (“Association”) for the purpose of (i) providing additional financing for activities related to the project described in the financing agreement for the Integrated Urban Development and Resilience Project for Greater Antananarivo Project (“Original Project”) between the Recipient and the Association dated June 1, 2018 as amended on December 18, 2020 (“Original Financing Agreement”); and (ii) amending the Original Financing Agreement and First Additional Financing Agreement, as such amendments are highlighted in this agreement and reflected in Section III of the Appendix to this Agreement.

WHEREAS: (A) under an agreement, dated June 1, 2018, between the Recipient and the Association (“Original Financing Agreement”), the Association agreed to provide the Recipient with a credit in an amount equivalent to fifty-one million six hundred thousand Special Drawing Rights (SDR 51,600,000) (“Original Financing”) to assist in financing the project described in Schedule 1 to the Original Financing Agreement (“Original Project”);

(B) On December 18, 2020, the Association agreed to provide additional financial assistance in support of activities related to the Original Project by providing a credit in an amount equivalent to thirty-five million five hundred thousand Special Drawing Rights (SDR 35,500,000) (“First Additional Financing”);

(C) The Recipient has requested the Association for additional financing to fill the financing gap that has emerged for purposes of implementation of the Original Project;

(D) The Association has agreed to provide additional financial assistance in support of activities related to the Original Project and described in Schedule 1 to this Agreement (“Project”) by providing a credit in an amount equivalent to eleven million four hundred thousand Special Drawing Rights (SDR 11,400,000) (“Second Additional Financing”), on the basis, *inter alia*, of the foregoing to extend such additional assistance to the Recipient upon the terms and conditions set forth in this Agreement.

NOW THEREFORE the Recipient and the Association hereby agree as follows:

ARTICLE I — GENERAL CONDITIONS; DEFINITIONS

- 1.01. The General Conditions (as defined in the Appendix to this Agreement) apply to and form part of this Agreement.
- 1.02. Unless the context requires otherwise, the capitalized terms used in this Agreement have the meanings ascribed to them in the General Conditions or in the Appendix to this Agreement.

ARTICLE II — FINANCING

- 2.01. The Association agrees to extend to the Recipient a credit, which is deemed as Concessional Financing for purposes of the General Conditions, in an amount equivalent to eleven million four hundred thousand Special Drawing Rights (SDR 11,400,000) (variously, “Credit” and “Financing”), to assist in financing the project described in Schedule 1 to this Agreement (“Project”).
- 2.02. The Recipient may withdraw the proceeds of the Financing in accordance with Section III of Schedule 2 to this Agreement.
- 2.03. The Maximum Commitment Charge Rate is one-half of one percent (1/2 of 1%) per annum on the Unwithdrawn Financing Balance.
- 2.04. The Payment Dates are April 15 and October 15 in each year.
- 2.05. The principal amount of the Credit shall be repaid in accordance with the repayment schedule set forth in Schedule 3 to this Agreement.
- 2.06. The Payment Currency is Dollar.

ARTICLE III — PROJECT

- 3.01. The Recipient declares its commitment to the objective of the Project. To this end, the Recipient shall carry out the Project in accordance with the provisions of Article V of the General Conditions and Schedule 2 to this Agreement.

ARTICLE IV — EFFECTIVENESS; TERMINATION

- 4.01. The Effectiveness Deadline is the date one hundred eighty (180) days after the Signature Date.
- 4.02. For purposes of Section 10.05(b) of the General Conditions, the date on which the obligations of the Recipient under this Agreement (other than those providing for payment obligations) shall terminate is twenty years after the Signature Date.

ARTICLE V — REPRESENTATIVE; ADDRESSES

- 5.01. The Recipient’s Representative is its minister in charge of economy and finance.
- 5.02. For purposes of Section 11.01 of the General Conditions:

- (a) the Recipient's address is:

Ministry of Economy and Finance
PO Box 61
101 Antananarivo
Republic of Madagascar; and

- (b) the Recipient's Electronic Address is:

E-mail: tresorddp@gmail.com

5.03. For purposes of Section 11.01 of the General Conditions:

- (a) the Association's address is:

International Development Association
1818 H Street, N.W.
Washington, D.C. 20433
United States of America; and

- (b) the Association's Electronic Address is:

Telex:	Facsimile:
248423 (MCI)	1-202-477-6391

AGREED as of the Signature Date.

REPUBLIC OF MADAGASCAR

By



Authorized Representative

Name: Rindra Hasimbelo Rabarinirinarison

Title: Ministre de l'Economie et des Finances

Date: 12-Jun-2024

INTERNATIONAL DEVELOPMENT ASSOCIATION

By



Authorized Representative

Name: Atouseck

Title: Country Manager

Date: 11-Jun-2024

SCHEDULE 1

Project Description

The objective of the Project is to enhance urban living conditions and flood resilience in selected low-income neighborhoods of Greater Antananarivo and to improve the Recipient's capacity to respond promptly and effectively to an Eligible Crisis or Emergency.

The Project consists of the following parts under the Original Project:

Part 1. Improving Urban Drainage, Services and Resilience in Targeted Areas

- 1.1 **Improvements of Canal, Drainage and Sanitation Infrastructure.** Support to the Recipient to ensure flood risk mitigation through structural measures by financing public infrastructure investments for flood mitigation and drainage improvements, including: (i) No-Regret Priority Engineering Solutions identified by the Recipient, including *inter alia*, (a) the dredging from the bottom of Canal C3; and (b) the rehabilitation of Canal C3 and the retention ponds, the rehabilitation of the dikes, the rehabilitation of the pumping stations, the rehabilitation of embankments, connected roads, pathways and footbridges, urban infrastructure along Canal C3, hydraulic structures and related works; (ii) consulting services for the preparation of the engineering designs and supervision, and Safeguards Documents; (iii) in-kind resettlement compensation costs related to the impact of above-mentioned investments; (iv) cash compensation costs related to resettlement; (v) construction of resettlement sites; and (vi) construction of a dedicated sludge disposal site.
- 1.2 **Neighborhood Upgrading.** Support to the Recipient to finance: (i) urban infrastructure investments using a No-Regret Urban Upgrading Approach and a Structural Urban Upgrading Approach in the Targeted Areas, such investments to be identified through the participatory preparation of the Detailed Urban Plan for the Targeted Areas, and aimed at: (a) mobility and accessibility; (b) access to basic services; (c) public and recreational spaces; and (d) building resilience; and (ii) consulting services for the preparation of the Target Areas Detailed Urban Plan, engineering designs and supervision efforts, social analysis, behavioral audit, stakeholders' mapping and engagement plan and safeguards related instruments; (iii) in-kind resettlement compensation costs related to the impact of above-mentioned investments; and (iv) cash compensation costs related to resettlement.
- 1.3 **Citizen Engagement.** Support to the Recipient to establish and implement a system of sustainable citizen engagement to contribute both to the sustainability of infrastructure and investments in the Project's Targeted Areas and strengthen citizen participation, through: (i) technical assistance to support the establishment of Local Consultation Structures (LCS) for promoting inclusive participation of all

local stakeholders; (ii) the development of a Stakeholder Engagement Plan (SEP) to ensure the participation and the commitment of all stakeholders; (iii) the development and implementation of the GRM; (iv) the carrying out of bi-annual Beneficiaries Feedback Survey and public disseminations activities of the project; and (v) capacity building for local communities for disaster preparedness.

Part 2. Strengthening Institutional Capacity for Resilient Urban Governance

- 2.1 **Strengthening capacity for Inclusive and Resilient Urban Management.** Support to the Recipient to: (i) assist the Ministry of Decentralization and Planning (MDAT) and *Commune Urbaine d'Antananarivo* (CUA) to internalize the recommendations of the Detailed Urban Plan and the GA Urban Master Land Use Plan through the development of a monitoring and evaluation instrument for urban growth and a training and capacity building program; and (ii) prepare an Integrated Slum Upgrading Strategy and Affordable Housing Strategy for Greater Antananarivo.
- 2.2 **Municipal Management** Support to the Recipient to modernize public sector management by undertaking policy reforms aimed at: (i) increasing local revenue mobilization while promoting transparency and accountability and oversight mechanisms; and (ii) improving human resources processes and systems.
- 2.3 **Capacity Enhancement and Sector Reform for Environmental Sanitation** Support to the Recipient to improve financing mechanisms for better storm water drainage and flood protection service delivery, establish clearer responsibilities of the key agencies in managing and operating the city flood control and drainage systems; and enhance the capacity of SAM to provide reliable solid waste management, through: (i) carrying out of the APIPA study and the canal -dike maintenance plan; (ii) technical assistance for primary solid waste collection and coordination with SMA; (iii) elaboration and adoption of a solid waste management system and strategy; (iv) technical assistance to the IUWM Platform for APIPA and SMA reforms to strengthen each agency's capacity and streamline their roles and responsibilities; and (v) support of sector reforms identified by the IUWM Platform.

Part 3. Project Management, Coordination, Monitoring and Evaluation

Support to the Recipient for: (i) incremental Operating Costs (including delegated contract management costs); (ii) fiduciary activities; (iii) audit, complaints and grievances mechanism, studies and assessments required under various project components; (iv) communication; and (v) monitoring (including of safeguards processes) and evaluation.

Part 4. Contingent Emergency Response

Providing immediate response to an Eligible Crisis or Emergency, as needed.

SCHEDULE 2

Project Execution

Section I. Implementation Arrangements

A. Institutional Arrangements

The Recipient shall, throughout Project implementation, maintain the following institutional arrangements, as further described in the PIM:

1. The Recipient shall vest overall responsibility for Project implementation in the Ministry in charge of Territorial Planning.
2. **Project Steering Committee**
 - (a) The Recipient shall, at all times during Project implementation, maintain the Project Steering Committee (“PSC”) with composition and mandate acceptable to the Association.
 - (b) The PSC shall be chaired by the Recipient’s Ministry in charge of Territorial Planning and composed of, *inter alia*, representatives from the Ministries in charge of Economy and Finance, Agriculture, Interior and Decentralization, Water-Sanitation-Hygiene, Population, Social Protection and Women, Environment and Sustainable development, the *Commune Urbaine d’Antananarivo*, the *Communes de Bemasoandro*, *Anosizato* and *Andranonahoatra*, representatives of APIPA, SMA, representatives of districts and the Urban Planning Agency of the Greater Antananarivo.
 - (c) The PSC shall be responsible for providing overall strategic guidance, general oversight of Project implementation, performance monitoring, cross-sectoral coordination and consistency with sector policy and strategies, the approval of Annual Work Plans and Budgets, procurement plans, annual audit reports and progress reports.
 - (d) The PSC shall meet at least twice annually.
3. **Project Management Unit**
 - (a) The Recipient shall, at all times during Project implementation, maintain the Project Management Unit (“PMU”) with composition and mandate acceptable to the Association.
 - (b) The PMU shall, at all times during Project implementation, retain the following staff, *inter alia*, each with terms of reference, qualifications and experience satisfactory to the Association: (i) a coordinator; (ii) an

accountant; (iii) a financial management specialist; (iv) a procurement specialist; (v) an environmental safeguards specialist; (vi) a social safeguards specialist; and (vii) a monitoring and evaluation specialist, and other such staff as may be necessary for Project implementation.

- (c) The PMU shall be responsible for the following activities *inter alia*: (i) project implementation and day to day management of project activities including coordination, fiduciary management, procurement, environmental and social impact mitigation, and the preparation of IFRs and project reports; (ii) managing technical inputs from line ministries, municipalities and relevant technical agencies; (iii) preparation of consolidated technical and financial project reports; and (iv) ensuring dissemination of lessons learned.

B. PIM

1. The Recipient shall carry out the Project in accordance with an updated Project Implementation Manual (“PIM”), which shall be updated no later than one (1) month after the Effective Date, in form and substance acceptable to the Association.
2. The PIM shall contain detailed arrangements, procedures and mechanisms for: (a) institutional coordination and Project implementation; (b) the roles and responsibilities of all involved stakeholders; (c) Project budgeting, accounting, disbursement and financial management; (d) capacity building activities; (e) procurement; (f) safeguards; (g) monitoring, evaluation, reporting and communication; and (h) other such administrative, financial, technical and organizational arrangements and procedures as shall be required for purposes of implementing the Project.
3. Except as the Association shall otherwise agree, the Recipient shall not assign, amend, abrogate the PIM, or any provision thereof.
4. In the event of any conflict between the provisions of the PIM and those of this Agreement, the provisions of this Agreement shall prevail.

C. Annual Work Plans and Budgets

1. Each year the Recipient shall prepare a draft annual work plan and budget for the Project (including Training and Operating Costs) for each subsequent year of Project implementation, of such scope and detail as the Association shall have reasonably requested.
2. The Recipient shall furnish to the Association, not later than November 30 of each year, the annual work plans and budgets approved by the Project Steering

Committee for the Association's review and approval; except for the annual work plan and budget for the Project for the first year of Project implementation, which shall be furnished no later than one (1) month after the Effective Date. Only the activities included in an annual work plan and budget expressly approved by the Association (each an "Annual Work Plan and Budget") are eligible to be financed from the proceeds of the Financing.

3. Training shall be carried out on the basis of Annual Work Plans and Budgets, which shall, *inter alia*, identify: (a) particulars of the training envisaged; (b) the personnel to be trained; (c) the selection methods and criteria of the institution or individuals conducting such training; (d) the institution conducting such training if identified; (e) the purpose and justification for such training; (f) the location and duration of the proposed training; and (g) the estimate of the cost of such training.
4. The Recipient shall ensure that the Project is carried out in accordance with the Annual Work Plans and Budgets.
5. Annual Work Plans and Budgets may be revised as needed during Project implementation subject to the Association's prior approval.

D. Contractual Arrangements

1. The Recipient shall, for the purposes of carrying out of Parts 1.1 and 1.2 of the Project, maintain throughout Project implementation, and update no later than one (1) month after the Effective Date to reflect this Financing, the Delegated Contract Management Agreement ("Management Agreement") with the Service Provider, signed on March 26, 2019, whose form and substance is satisfactory to the Association; (b) ensure that all Project activities to be undertaken by the Service Provider under the Management Agreement shall be carried out with due diligence and efficiency and in accordance with sound technical, financial, procurement and managerial standards and practices acceptable to the Association; and (c) exercise its rights and carry out its obligations under the Management Agreement in such a manner as to protect the interests of the Recipient and the Association and to accomplish the purposes of the Financing.
2. The Management Agreement shall include the following provisions:
 - (a) The obligation of the Service Provider to:
 - (i) carry out its activities under the Management Agreement with due diligence and efficiency and in accordance with sound technical, economic, financial, managerial, environmental and social standards and practices satisfactory to the Association;

- (ii) carry out its obligations under the Management Agreement in such a manner as to protect the interests of the Recipient and the Association and to accomplish the purposes of the Financing;
 - (iii) maintain policies and procedures, which are adequate to enable it to monitor and evaluate the progress of the Activities carried out under the Management Agreement; and
 - (iv) maintain a financial management system and prepare financial statements in accordance with consistently applied accounting standards acceptable to the Association, both in a manner adequate to reflect the operations, resources and expenditures related to Activities carried out under the Management Agreement.
- (b) The right of the Recipient and the Association to:
 - (i) request an audit of the financial statements of the Activities carried out under the Management Agreement by independent auditors acceptable to the Association in accordance with consistently applied auditing standards acceptable to the Association and the prompt transmission of the financial statements as so audited to the Recipient and the Association;
 - (ii) inspect the Activities carried out under the Management Agreement, and any relevant records and documents; and
 - (iii) obtain all such information as the Recipient or the Association shall reasonably request relating to the foregoing to be prepared and furnished to the Recipient and the Association.
- 3. Except as the Association shall otherwise agree, the Recipient shall not assign, amend, abrogate or waive the Management Agreement or any provision thereof, or permit to be assigned, amended, abrogated or waived the aforementioned or any provision thereof.
- 4. In case of any conflict between the terms of the Management Agreement and those of this Agreement, the terms of this Agreement shall prevail.

E. Safeguards

- 1. The Recipient shall ensure that all terms of reference for any technical assistance or studies carried out under the Project are consistent with the Association's social and environmental safeguard policy requirements, as well as the Recipient's own environmental and social laws and regulations.

2. The Recipient shall thereafter ensure that the Project shall be implemented in accordance with the guidelines, procedures, timetables and other specifications set forth in the Safeguards Documents as well as the plans necessary for the implementation of Part 1.2 of the Project.
3. Except as the Association shall otherwise agree in writing and subject to compliance with applicable consultation and public disclosure requirements of the Association, the Recipient shall not abrogate, amend, repeal, suspend or waive any provisions of any of the Safeguards Documents, nor shall it permit any other entity participating in the implementation of the Project to do so.
4. Without limitation upon its other reporting obligations under this Agreement, the Recipient shall collect, compile and submit to the Association, on a semi-annual basis, reports on the status of compliance with the Safeguards Documents, giving details of: (a) measures taken in furtherance of the Safeguards Documents; (b) conditions, if any, which interfere or threaten to interfere with the smooth implementation of the Safeguards Documents; and (c) remedial measures taken or required to be taken to address such conditions, including but not limited to the implementation of a GRM.
5. In the event that any provision of the Safeguards Documents shall conflict with any provision under this Agreement, the terms of this Agreement shall prevail.
6. The Recipient shall ensure, and cause the Service Provider to ensure, that no works for construction or rehabilitation under Part 1.1 shall commence until all measures required to be taken under the Safeguards Documents have been taken in accordance with the terms of said documents, and in a manner acceptable to the Association. For that purpose, and without limitation to the foregoing, the Recipient shall ensure that, prior to the start of works in Targeted Areas under Part 1.1, the resettlement sites are operational in compliance with the terms of the Safeguards Documents and acceptable to the Association.

F. Financial Management

Intentionally left blank for purposes of this Agreement.

G. Contingency Emergency Response

In order to ensure the proper implementation of Part 4 of the Project, the immediate response mechanism part (“IRM Part”), the Recipient shall take the following measures.

1. The Recipient shall:

- (a) prepare and furnish to the Association for its review and approval, an operations manual which shall set forth detailed implementation arrangements for the IRM Part, including: (i) designation of, terms of reference for and resources to be allocated to, the entity to be responsible for coordinating and implementing the IRM Part (“Coordinating Authority”); (ii) specific activities which may be included in the IRM Part Eligible Expenditures required therefor (“Emergency Expenditures”), and any procedures for such inclusion; (iii) financial management arrangements for the IRM Part; (iv) procurement methods and procedures for Emergency Expenditures to be financed under the IRM Part; (v) documentation required for withdrawals of Emergency Expenditures; (vi) environmental and social safeguard management frameworks for the IRM Part, consistent with the Association’s policies on the matter; and (vii) any other arrangements necessary to ensure proper coordination and implementation of the IRM Part;
 - (b) afford the Association a reasonable opportunity to review said proposed operations manual;
 - (c) promptly adopt such operations manual for the IRM Part as shall have been approved by the Association (“IRM Operations Manual”);
 - (d) ensure that the IRM Part is carried out in accordance with the IRM Operations Manual; provided, however, that in the event of any inconsistency between the provisions of the IRM Operations Manual and this Agreement, the provisions of this Agreement shall prevail; and
 - (e) not amend, suspend, abrogate, repeal or waive any provision of the IRM Operations Manual without prior approval by the Association.
2. The Recipient shall, throughout the implementation of the IRM Part, maintain the Coordinating Authority, with adequate staff and resources satisfactory to the Association.
3. The Recipient shall undertake no activities under the IRM Part (and no activities shall be included in the IRM Part) unless and until the following conditions have been met in respect of said activities:
 - (a) the Recipient has determined that an Eligible Crisis or Emergency has occurred, has furnished to the Association a request to include said activities in the IRM Part in order to respond to said Eligible Crisis or Emergency, and the Association has agreed with such determination, accepted said request and notified the Recipient thereof; and

- (b) the Recipient has prepared and disclosed all safeguards instruments required for said activities, in accordance with the IRM Operations Manual, the Association has approved all such instruments, and the Recipient has implemented any actions which are required to be taken under said instruments.

Section II. Project Monitoring, Reporting and Evaluation

The Recipient shall furnish to the Association each Project Report not later than one month after the end of each calendar semester, covering the calendar semester.

Section III. Withdrawal of the Proceeds of the Financing

A. General

Without limitation upon the provisions of Article II of the General Conditions and in accordance with the Disbursement and Financial Information Letter, the Recipient may withdraw the proceeds of the Financing to: (a) finance Eligible Expenditures; and (b) repay the Preparation Advance; in the amount allocated and, if applicable, up to the percentage set forth against each Category of the following table:

Category	Amount of the Original Financing Allocated (expressed in SDR) Credit No. 6245-MG	Amount of the First Additional Financing Allocated (expressed in SDR) Credit No. 6818-MG	Amount of the Second Additional Financing Allocated (expressed in SDR) Credit No. 7571-MG	Percentage of Expenditures to be Financed (inclusive of Taxes)
(1) Goods, works, non-consulting services, and consulting services for the Project, except Canal C3 dredging works under Part 1.1(i) (a), and Cash Compensations under Parts 1.1(iv) and 1.2(iv)	10,659,600	31,453,000	11,400,000	100% upon full commitment of corresponding expenditures commencing with Credit No. 6245-MG, followed by Credit No. 6818-MG, then this Financing
(2) Works related to Canal C3 dredging	0	1,917,000	0	100% upon full commitment of

under Part 1.1 (i) (a) of the Project				corresponding expenditures commencing with Credit No. 6245-MG, followed by Credit No. 6818-MG, then this Financing
(3) Cash Compensation for Resettlement under:			0	100% upon full commitment of corresponding expenditures commencing with Credit No. 6245-MG, followed by Credit No. 6818-MG, then this Financing
(a) Canal C3 works under Part 1.1 (i) of the Project.	640,400	2,130,000		
(b) Pumping station works under Part 1.1 (i) of the Project.	0	0		
(c) Urban infrastructure investments Part 1.2 (i) of the Project.	0	0		
(4) Refund of Preparation Advance	1,400,000	0	0	Amount payable pursuant to Section 2.07(a) of the General Conditions
(5) Emergency Expenditures under Part 4 of the Project	35,500,000	0	0	100%
(6) Unallocated	3,400,000	0	0	100%
TOTAL AMOUNT	51,600,000	35,500,000	11,400,000	

B. Withdrawal Conditions; Withdrawal Period

1. Notwithstanding the provisions of Part A above, no withdrawal shall be made:

(a) for payments made prior to the Signature Date; or

- (b) for payments under Category 2 unless and until the sludge disposal site is operational, in accordance with the requirements of the Safeguards Documents, and acceptable to the Association; or
- (c) for payments under Category 5 unless and until the Association is satisfied that the following conditions have been met, and has notified the Recipient accordingly:
 - (i) the Recipient has determined that an Eligible Crisis or Emergency has occurred, has furnished to the Association a request to include activities in the IRM Part of the Project in order to respond to said Eligible Crisis or Emergency, and the Association has agreed with such determination, accepted said request and notified the Recipient thereof;
 - (ii) the Recipient has prepared and disclosed all Safeguards Documents (or other required safeguards instruments) required for said activities, and the Recipient has implemented any actions required pursuant thereto, all in accordance with the provisions of Section I. E of this Schedule;
 - (iii) the Recipient has ensured that the Coordinating Authority has adequate staff and resources, in accordance with the provisions of Section I.G.2 of this Schedule, for the purposes of activities in the IRM Part of the Project; and
 - (iv) the Recipient has maintained the IRM Operations Manual approved by the Association, in form and substance acceptable to the Association pursuant to Section 1.G.1 of this Schedule.

2. The Closing Date is June 30, 2025.

SCHEDULE 3

Repayment Schedule

Date Payment Due	Principal Amount of the Credit repayable (expressed as a percentage)*
On each April 15 and October 15:	
commencing October 15, 2034 to and including April 15, 2074	1.25%

* The percentages represent the percentage of the principal amount of the Credit to be repaid, except as the Association may otherwise specify pursuant to renumbered Section 3.03(b) (originally numbered Section 3.05(b)) of the General Conditions.

APPENDIX

Section I. Definitions

1. “Affordable Housing Strategy for Greater Antananarivo” means a strategy led by MDAT, aiming at defining modalities, policies, and instruments (financial and technical) required to allow a larger number of low-income households access to decent housing.
2. “Anti-Corruption Guidelines” means, for purposes of paragraph 5 of the Appendix to the General Conditions, 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 and as of July 1, 2016.
3. “APIPA” means *Autorité pour la Protection contre les Inondations de la Plaine d’Antananarivo*, the Antananarivo Flood Protection Agency.
4. “Beneficiaries Feedback Survey” means the survey applied to beneficiaries of the project by the PMU once every six months in order to determine the level of satisfaction with the project’s implementation and impacts.
5. “Canal C3 ESIA” means the ESIA prepared specifically for Canal C3.
6. “Canal C3 RAP” means the RAP prepared specifically for Canal C3.
7. “Cash Compensation for Resettlement” means cash to Eligible Households and Individuals for the purposes of compensating resettlement costs.
8. “Category” means a category set forth in the table in Section III.A of Schedule 2 to this Agreement.
9. “Coordinating Authority” means the entity or entities designated by the Recipient in the IRM Operations Manual and approved by the Association pursuant to Section I.G of Schedule 2 to this Agreement, to be responsible for coordinating the IRM Part of the Project.
10. “Delegated Contract Management Agreement” means the contract described in Section I.D of Schedule 2 to this Agreement.
11. “Detailed Urban Plan” means a plan that showcases for a selected geographical area a more detailed guidance to implement, introduce modalities and phasing of urban development, with regards, among others, to land-use, infrastructure and service delivery, housing, mobility.

12. “Displaced Person” means a person who, on account of the execution of an activity under the Project, has experienced or is likely to experience direct economic and social impacts caused by: (a) the involuntary taking of land, resulting in: (i) relocation or loss of shelter; (ii) loss of assets or access to assets; or (iii) loss of income sources or means of livelihood, whether or not such person must move to another location; or (b) the involuntary restriction of access to legally designated parks and protected areas, resulting in adverse impacts on the livelihood of such person; “Displaced Persons” means all such persons.
13. “E&S Panel” means the panel of independent environmental and social safeguard experts to be established to provide advice on safeguards matters arising in the course of Project implementation.
14. “Eligible Crisis or Emergency” means an event that has caused, or is likely to imminently cause, a major adverse economic and/or social impact to the Recipient, associated with a natural or man-made crisis or disaster.
15. “Eligible Households and Individuals” means households and individuals who meet the eligibility criteria to receive cash compensation for resettlement costs under the RAP.
16. “Emergency Expenditure” means any of the Eligible Expenditures, including goods, works, non-consulting services, consulting services, Training, and Operating Costs, set forth in the IRM Operations Manual in accordance with the provisions of Section I.G of Schedule 2 to this Agreement and required for the activities included in the IRM Part of the Project.
17. “ESIA” means “Environmental and Social Impact Assessment”, the Recipient’s documents entitled *Étude d’Impact Environnemental et Social (EIES) des Travaux de remise en état des infrastructures de drainage et de protection contre les inondations – Version mise à jour* and *Étude d’Impact Environnemental et Social (EIES) du projet de site de confinement des boues de curage* dated March 2019, and any subsequent ESIA prepared pursuant to the ESMF.
18. “ESMF” means Environmental and Social Management Framework, the Recipient’s document entitled *Cadre de Gestion Environnementale et Sociale: Rapport Final* disclosed in-country, and on the Association’s website on April 2018, containing policies, guidelines, codes of practice and procedures to be respected during Project implementation, and setting out the modalities to be followed in assessing the potential adverse environmental and social impacts of Project activities (including impacts on natural habitat, forests, and physical cultural resources, pest management and risks of gender-based violence and sexual exploitation and abuse) and the measures to be taken to offset, reduce or mitigate such adverse impacts (including measures that endeavor to prevent and respond to gender-based violence and sexual exploitation and abuse); as well as for the

preparation of environmental and social management plans, as such framework may be amended by the Recipient from time to time, with the prior written agreement of the Association.

19. “First Additional Financing” means the additional financing for the Original Project granted by the Association on December 18, 2020 in an amount of SDR 35,500,000.
20. “First Additional Financing Agreement” means the financing agreement for the First Additional Financing, as amended, as such agreement dated December 18, 2020, has been entered into between the Recipient and the Association (Credit No. 6818-MG).
21. “GA” means Greater Antananarivo.
22. “GA Urban Master Land Use Plan” means a plan, covering the entire GA geographical area, defining the diverse uses of land across the GA to guide more optimized urban growth.
23. “General Conditions” means the “International Development Association General Conditions for IDA Financing, Investment Project Financing”, dated December 14, 2018 (Last revised on July 15, 2023), with the modifications set forth in Section II below.
24. “GRM” means the Grievance Redress Mechanism of the Project or any other such mechanism established pursuant to the provisions of Section I.E of Schedule 2 to this Agreement.
25. “Immediate Response Mechanism Operations Manual” or “IRM Operations Manual” means the operations manual referred to in Section I.G of Schedule 2 this Agreement, to be adopted by the Recipient for the IRM Part of the Project in accordance with the provisions of said Section.
26. “Integrated Slum Upgrading Strategy for Greater Antananarivo” means a harmonized strategy that defines policies, instruments (financial, technical), and social modalities and dynamics required for better government and multi-stakeholder interventions in slum upgrading efforts.
27. “IRM Part of the Project” or “IRM Part” means Part 4 of the Project.
28. “IUWM” means integrated urban water management.
29. “IUWM Platform” means a multi-stakeholder, multi-agency platform created by MDAT Ministerial decree.

30. “Local Consultation Structures” or “LCS” means local platforms for dialogue and consultation organized by the municipality among all local stakeholders involved in local development issues in accordance with the Ministry of Decentralization and Interior decree for LCS (Decree No. 2015-957).
31. “Ministry in charge of Territorial Planning” or “MDAT” means *Ministère de la Décentralisation et de l'Aménagement du Territoire*, the Recipient’s ministry in charge of decentralization and planning, or any successor thereto, including as successor to the Ministry of Land Planning and Public Works (MATP) for purposes of the Original Financing Agreement and the Additional Financing Agreement.
32. “No-Regret Priority Engineering Solutions” means those priority engineering works identified by the Government required to repair, rebuild, or stabilize drainage or flood protection infrastructure within the target area.
33. “No-Regret Urban Upgrading Approach” means the modality to define quick win investments that can be implemented in a very short timeframe under Part 1.2 of Schedule 1 of the Agreement.
34. “Operating Costs” means the incremental expenses incurred on account of Project implementation, consisting of reasonable expenditures for vehicle operation and maintenance, communication and insurance costs, banking charges, rental expenses, office (and office equipment) maintenance, utilities, document duplication/printing, consumables, travel cost and per diem for Project staff for travel linked to the implementation of the Project, and salaries of contractual staff for the Project (but excluding salaries of officials of the Recipient's civil service).
35. “Original Financing Agreement” means the financing agreement for the Original Project between the Recipient and the Association, dated June 1, 2018, as amended (Credit No. 6245-MG).
36. “Original Project” means the Project described in Schedule 1 to the Original Financing Agreement.
37. “PIM” means Project Implementation Manual, the manual described in Section I.B of Schedule 2 to this Agreement adopted on March 15, 2019.
38. “PMU” means the Project Management Unit, described in Section I.A.3 of Schedule 2 to this Agreement.
39. “Procurement Regulations” means, for purposes of paragraph 85 of the Appendix to the General Conditions, the “World Bank Procurement Regulations for IPF Borrowers”, dated September 2023, except as otherwise provided in the Original

Financing Agreement or the First Additional Financing Agreement, for contracts awarded before the Signature Date.

40. “RAP” means “Resettlement Action Plan”, the Recipient’s documents entitled *Plan d’Action de Réinstallation (PAR) des Travaux de remise en état des infrastructures de drainage et de protection contre les inondations – Version mise à jour*, dated March 2019, and *Plan d’Action de Réinstallation (PAR) du projet de site de confinement des boues de curage* dated July 2019, and any subsequent ESIA prepared pursuant to the RPF prepared and disclosed in-country and on the Association’s website, with respect to an activity included under an Annual Work Plan and Budget, which, *inter alia*: (i) outlines the policies and procedures to be implemented under the Project that have potentially negative impacts on the livelihoods, assets and land of the affected persons, as the said plan may be amended and/or supplemented from time to time with the prior written consent of the Association, and such term includes any schedules to such document; (ii) contains a census survey of Displaced Persons and valuation of their assets; (iii) describes compensation and other resettlement assistance to be provided, consultation to be conducted with Displaced Persons about acceptable alternatives, institutional responsibilities for the implementation and procedures for grievance redress, and arrangements for monitoring and evaluation; and (iv) contains a timetable and budget for the implementation of such measures.
41. “RPF” means “Resettlement Policy Framework” the Recipient’s framework disclosed in-country, and on the Association’s website on April 2018, and setting forth the modalities for resettlement and compensation of, *inter alia*, Displaced Persons, including guidelines for the preparation of any RAP under the Project, as said framework may be amended from time to time with the agreement of the Association.
42. “Safeguards Documents” means collectively the ESMF, RPF and any Supplemental Safeguards Documents.
43. “SAMVA” means the *Service Autonome de Maintenance de la Ville d’Antananarivo*.
44. “Second Additional Financing” means the additional financial assistance in support of activities related to the Original Project that is granted through this financing agreement.
45. “Service Provider” means *Agence d’Exécution des Travaux d’Intérêt Public et d’Aménagement (AGETIPA)*.
46. “Signature Date” means the later of the two dates on which the Recipient and the Association signed this Agreement and such definition applies to all references to “the date of the Financing Agreement” in the General Conditions.

47. “SMA” means the *Société Municipale d'Assainissement*, as legal successor to SAMVA for purposes of the Project.
48. “Stakeholder Engagement Plan” or “SEP” means a plan developed by the PMU to ensure the participation and commitment of all stakeholders to the project objectives during project implementation.
49. “Structural Urban Upgrading Approach” means the modality to choose and prioritize investments recommended by the Detailed Urban Plan to ensure structural and more consequential impact in the targeted project area.
50. “Supplemental Safeguards Documents” means the Canal C3 ESIA, the Canal C3 RAP and any ESIA and RAP prepared pursuant to the requirements of the ESMF and the RPF.
51. “Targeted Areas” means project area defined covering the first and fourth arrondissements of the CUA as well as the neighboring communes of Bemasoandro, Andranonahoarta, and Anosizato Andrefana.
52. “Training” means expenses incurred by the Recipient under the Project for workshops and training including purchase and publication of materials, rental of facilities, course fees, study tours and travel and subsistence for participants, trainees and trainers.

Section II. Modifications to the General Conditions

The General Conditions are hereby modified as follows:

1. Section 3.03 (Service Charge) and Section 3.04 (Interest Charge) are deleted in their entirety and the remaining Sections in Article III are renumbered accordingly, and all references to the Sections of Article III in any provision of the General Conditions are understood to be to such renumbered Sections.
2. Paragraph 66 (Interest Charge) in the Appendix is modified to read as follows:

“66. “Interest Charge” means the interest charge for the purpose of Section 3.07.
3. Paragraph 100 (Service Charge) in the Appendix is deleted in its entirety and the subsequent paragraphs are renumbered accordingly, and any reference to “Service Charge” or “Service Charges” in any provision of the General Conditions is deleted.

Section III. Amendment to the Original Financing Agreement and the First Additional Financing Agreement

1. Schedule 1 in the Original Financing Agreement and the First Additional Financing Agreement is amended and replaced with Schedule 1 in this Agreement.
2. Sections I.A. and I.B. 2 of Schedule 2 of the Original Financing Agreement and the First Additional Financing Agreement, and the corresponding definitions in Appendix, are hereby amended and replaced with Sections I.A. and I.B.2 of Schedule 2 and the corresponding definitions in the Appendix in this Agreement.
3. The table in Schedule 2 Section III of the Original Financing Agreement and of the First Additional Financing Agreement is amended and replaced with the table in Schedule 2 in this Agreement.
4. Schedule 2 Section III.B.2 of the Original Financing Agreement and of the First Additional Financing Agreement is amended and replaced with the closing date in Schedule 2 Section III.B.2 in this Agreement.