

---

---

CREDIT NUMBER 7121-MG  
GRANT NUMBER E040-MG

# Financing Agreement

(Madagascar National Water Project)

between

REPUBLIC OF MADAGASCAR

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

---

---

**CREDIT NUMBER 7121-MG  
GRANT NUMBER E040-MG**

**FINANCING AGREEMENT**

AGREEMENT dated as of the Signature Date between REPUBLIC OF MADAGASCAR (“Recipient”) and INTERNATIONAL DEVELOPMENT ASSOCIATION (“Association”). 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 grant and a credit, which are deemed as Concessional Financing for purposes of the General Conditions (collectively, “Financing”) in the following amounts to assist in financing the project described in Schedule 1 to this Agreement (“Project”):
  - (a) an amount equivalent to seventy-nine million six hundred thousand Special Drawing Rights (SDR 79,600,000) (“Grant”); and
  - (b) an amount equivalent to seventy-nine million six hundred thousand Special Drawing Rights (SDR 79,600,000) (“Credit”).
- 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 The Service Charge is three-fourths of one percent (3/4 of 1%) per annum on the Withdrawn Credit Balance.
- 2.05. The Payment Dates are March 1 and September 1 in each year.
- 2.06. The principal amount of the Credit shall be repaid in accordance with the repayment schedule set forth in Schedule 3 to this Agreement.

(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 RABARINIRINEISON

Title: MINISTER OF ECONOMY AND FINANCE

Date: 15 June 2022

**INTERNATIONAL DEVELOPMENT ASSOCIATION**

By



Authorized Representative

Name: MARIE-CHANTAL UWANYILIGIRA

Title: COUNTRY MANAGER FOR MADAGASCAR

Date: 15 June 2022

## SCHEDULE 1

### Project Description

The objective of the Project is to increase access to water services in the Greater Antananarivo area and select secondary towns and to improve the capacity of the water sector.

The Project consists of the following parts:

#### **Part 1: Improving and Securing Water Production in Greater Antananarivo**

Support JIRAMA in addressing increasing water demand in Greater Antananarivo through:

- 1.1. Increasing and securing current water production through financing of works, related studies and supervision towards: (a) construction of radial collector wells and/or construction of a new water treatment plan along the Ikopa river; (b) rehabilitation, upgrade and securing of selected water treatment plants and pumping stations, including related equipment; and (c) development of engineering solutions to increase absorption of rainwater and protection of soils.
- 1.2. Reducing water leakages through: (a) renewal of selected secondary and tertiary pipes and replacement of selected household connections and associated meters; and (b) financing of studies and related supervision.

#### **Part 2: Improving Water Supply Services in Greater Antananarivo and Secondary Towns**

Support to JIRAMA and MEAH to improve and extend water supply services in Greater Antananarivo and selected secondary towns through:

- 2.1. Reinforcement and extension of water distribution system in Greater Antananarivo and selected secondary towns and financing of priority water supply investments to improve drinking water service through: (a) construction of water tanks and primary networks for selected water treatment plants; (b) construction of pumping stations and associated networks; (c) reinforcement and rehabilitation of existing primary and secondary networks in selected areas; (d) extension of secondary networks in selected underserved areas; (e) carrying out of an energy efficiency audit of JIRAMA's water facilities; (f) financing of studies and related supervision; and (g) implementation of specific climate measures targeting to *inter alia* improve water use efficiency.

- 2.2. Improvement of operational and financial performance of JIRAMA through: (a) development and deployment of a related Performance Improvement Action Plan; and (b) identified related technical assistance on priority support areas, including *inter alia*, to: (i) strengthen and develop JIRAMA's leakage detection capacity; (ii) complete sectorization of JIRAMA's Greater Antananarivo service areas into district metered areas; (iii) roll out a supervisory control and data acquisition remote management system and a geographical information system; (iv) develop financial modelling of JIRAMA's water activity; (v) carry out studies to implement separate accounting of JIRAMA's water and electricity activities, including an inventory of water assets; (vi) promote and implement JIRAMA's commercial strategy and the diagnosis of JIRAMA's current customer orientation and customer service functions; and (vii) conduct an assessment of JIRAMA's performance.
- 2.3. Design and implementation by JIRAMA of a social connection program towards the poorest and most vulnerable in selected underserved areas, including development of a targeting plan, extension of tertiary networks, construction of household connections and public standpipes, outreach activities, Training and related studies.
- 2.4. Promotion by MEAH of access to water and sanitation services in selected schools and health centers in Greater Antananarivo and selected secondary towns through: (a) inventory of current water and sanitation services levels; (b) construction and/or rehabilitation of necessary facilities, including equipment of water and sanitation services; (c) related outreach, information-sharing and capacity-building; (d) support the development of operation and maintenance plans; and (e) related studies, Training and works supervision necessary for the required purpose.

### **Part 3: Resilient Infrastructure and Post-Cyclone Reconstructions**

- 3.1. Resilience and reconstruction in JIRAMA secondary towns to support priority water supply investments and equipment to rebuild, secure and improve drinking water services in selected affected secondary towns, including related feasibility studies and assessment of water services and production.
- 3.2. Resilience and reconstruction in MEAH secondary towns to support priority water supply investments and equipment to rebuild and improve drinking water services in selected affected towns, including repair or purchase of existing water production and distribution equipment.

### **Part 4: Sector Institutional Development**

- 4.1. Capacity-building and strengthening of MEAH, harmonization of existing water and sanitation information systems, and financing of strategic studies, including *inter alia* a national urban sanitation strategy, related water sector development,

water tariff, status of sanitation services and sector needs, pipeline assessment and JIRAMA resource management studies.

- 4.2. Project management by MEAH, including *inter alia* fiduciary matters, procurement, environmental and social aspects, communication, planning, audits, monitoring and evaluation, Training and Operating Costs.
- 4.3. Project management by JIRAMA, including *inter alia* fiduciary matters, procurement, environmental and social aspects (including Involuntary Resettlement Compensation), communication, planning, audits, monitoring and evaluation, Training and Operating Costs.

**Part 5: 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

1. The Recipient shall: (a) vest overall responsibility over the Project with MEAH, including coordination, planning and oversight of the Project; (b) implement, through MEAH, the technical, fiduciary, environmental and social, and monitoring and evaluation aspects of Parts 2.4, 3.2, 4.1 and 4.2; and (c) cause JIRAMA to be responsible and implement the technical, fiduciary, environmental and social, and monitoring and evaluation aspects of Parts 1, 2.1, 2.2, 2.3, 3.1 and 4.3 of the Project.
2. For purposes of and without limitation to paragraph 1 immediately above, no later than two (2) months after the Effective Date, the Recipient shall and shall cause the Project Implementing Entity to respectively establish and thereafter maintain, throughout Project implementation (a) the MEAH-PIU within MEAH; and (b) the JIRAMA-PIU within JIRAMA; both with mandate, staffing and resources adequate to implement their respective parts of the Project and composed of staff in adequate numbers and with qualifications, experience and terms of reference acceptable to the Association, each including *inter alia*: one (1) Project coordinator, one (1) procurement specialist, one (1) financial and administrative officer, environmental, social and gender-based violence specialists as set out in the ESCP, one (1) monitoring and evaluation specialist and any other specialists as may have been agreed with the Association and as further detailed in the PIM; all with terms of reference, qualifications and experience satisfactory to the Association.
3. For purposes of implementing Part 2.4 of the Project, the Recipient, through the MEAH-PIU, shall involve, as needed and relevant to Project implementation, MEN, MINSANP and the Urban Antananarivo Commune for planning and technical support under the Project, as further detailed in the PIM.
4. The Recipient shall establish no later than one (1) month after the Effective Date, and thereafter maintain a Steering Committee for the Project, with mandate, composition, resources and terms of reference satisfactory to the Association as further set out in the PIM, involving representatives from key ministries and stakeholders relevant to the Project, and the Project Implementing Entity, and entrusted *inter alia* with strategic and policy guidance and approval of Annual Work Plans and Budgets.

5. Without prejudice to paragraph 2 above, the Recipient shall, for purposes of Project implementation: (a) recruit, and cause the Project Implementing Entity to recruit, no later than three (3) months after the Effective Date, for each MEAH-PIU and JIRAMA PIU: (i) one (1) financial management officer; (ii) one (1) accountant; and (iii) one (1) procurement specialist; all with terms of reference, qualifications and experience satisfactory to the Association; (b) recruit no later than three (3) months after the Effective Date, one (1) internal auditor, for MEAH-PIU; with terms of reference, qualifications and experience satisfactory to the Association; (c) acquire and customize, and cause the Project Implementing Entity to acquire and customize, no later than three (3) months after the Effective Date, and thereafter maintain, at all times during Project implementation, for MEAH-PIU and JIRAMA-PIU, an accounting software with specifications and modalities acceptable to the Association; (d) cause the Project Implementing Entity to: (i) maintain at all times during Project implementation, internal audit capacity, including asset and inventory management, with terms of reference, resources and reporting lines acceptable to the Association and further set out in the PIM; (ii) implement a remediation action plan relating to asset management with terms of reference acceptable to the Association, no later than three (3) months after the Effective Date; and (iii) recruit an internal auditor with terms of reference, qualifications and experience satisfactory to the Association, no later than three (3) months after the Effective Date; and (e) recruit an external auditor for the Project, through MEAH-PIU, no later than six (6) months after the Effective Date with terms of reference, qualifications and experience satisfactory to the Association.
6. The Recipient shall cause the Project Implementing Entity to develop a Performance Improvement Action Plan, no later than six (6) months after the Effective Date, and thereafter implement said action plan throughout Project implementation. The Performance Improvement Action Plan shall *inter alia*: (a) set-up clear baselines for key performance indicators for JIRAMA's water activities; (b) establish targets and annual objectives to achieve said indicators by the Closing Date; and (c) define the path for the Project Implementing Entity to improve its performance and reach said objectives; as further modalities shall be set out in the PIM.

**B. Subsidiary Agreement**

1. To facilitate the carrying out of the Project Implementing Entity's Respective Part of the Project, the Recipient shall make part of the proceeds of the Financing allocated from time to time to Category (1) of the table set forth in Section III.A. of this Schedule available to the Project Implementing Entity under a subsidiary agreement ("Subsidiary Agreement") between the Recipient and the Project Implementing Entity, under terms and conditions approved by the Association, which shall include the following:



- (a) JIRAMA shall not be required to repay the proceeds of the Financing received from the Recipient;
- (b) the obligation of JIRAMA to carry out its Respective Part of the Project with due diligence and efficiency, in conformity with appropriate administrative, economic, managerial, financial, environmental, social, labor and technical standards and practices, and provide promptly as needed, the facilities, services and other resources required for its Respective Part of the Project;
- (c) the obligation of JIRAMA to: (i) exchange views with the Recipient, and the Association with regard to the progress of its Respective Part of the Project, and the performance of its obligations under the Subsidiary Agreement; and (ii) assist the Recipient in complying with its obligations referred to in Section II of this Schedule, as applicable to its Respective Part of the Project;
- (d) the obligation of JIRAMA to promptly inform the Recipient and the Association of any condition which interferes or threatens to interfere with the progress of its Respective Part of the Project, including but not limited any Project-related accident or incident;
- (e) the obligation of JIRAMA to carry out its Respective Part of the Project in accordance with the PIM and the ESCP;
- (f) the obligation of JIRAMA to carry out its Respective Part of the Project in compliance with the Procurement Regulations and the Anti-Corruption Guidelines;
- (g) the obligation of JIRAMA to: (i) 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 its Respective Part of the Project; (ii) implement adequate asset management remediation measures, as required by the Association; and (iii) have such financial statements audited on an annual basis by independent auditors acceptable to the Association, in accordance with consistently applied auditing standards acceptable to the Association, and promptly furnish the statements as so audited to the Recipient and the Association, and no later than six (6) months after the end of the Fiscal Year; and
- (h) the right of the Recipient to take remedial actions against JIRAMA, in case JIRAMA shall have failed to comply with any of its obligations under the Subsidiary Agreement, which actions may include, *inter alia*, the partial or total suspension and/or cancellation or refund of all or any part

of the proceeds of the Subsidiary Financing transferred to JIRAMA pursuant to the Subsidiary Agreement (as the case may be).

2. The Recipient shall exercise its rights under the Subsidiary Agreement in such manner as to protect the interests of the Recipient and the Association and to accomplish the purposes of the Financing. Except as the Association shall otherwise agree, the Recipient shall not assign, amend, abrogate or waive the Subsidiary Agreement or any of its provisions.

**C. Project Implementation Manual (PIM)**

1. The Recipient shall have the responsibility to prepare the PIM, no later than one (1) month after the Effective Date, in form and substance satisfactory to the Association, and to ensure that the PIM covers both MEAH-PIU and JIRAMA-PIU. When differentiated implementation modalities are required, and without limitation to paragraph 2 immediately below, the Recipient shall ensure that the proper budgetary controls and contract management procedures are in place in JIRAMA-PIU for purposes of Project implementation.
2. The Recipient shall carry out and cause JIRAMA to carry out the Project in accordance with the requirements set forth in the PIM. The PIM shall set out detailed guidelines, methods and procedures for the implementation of the Project, including: (a) the different roles and responsibilities in the implementation of the Project, including the various mechanisms for ensuring close coordination and collaboration between various Project stakeholders; (b) budget and budgetary control; (c) flow of funds, disbursement procedures and banking arrangements; (d) financial management, procurement and accounting procedures; (e) internal control procedures; (f) accounting system and transaction records; (g) reporting requirements; (h) external audit and independent verification arrangements; (i) corruption and fraud mitigation measures; (j) environmental and social aspects in accordance with the ESCP; (k) monitoring and evaluation arrangements; (l) Personal Data collection, in accordance with applicable national law and best international practices; and (m) such other arrangements and procedures as shall be required for the effective implementation of the Project.
3. The Recipient shall, and shall cause JIRAMA not to assign, amend, abrogate or waive any provision of the PIM without prior written approval of the Association.
4. In case of any conflict between the terms of the PIM and those of this Agreement, the terms of this Agreement shall prevail.

**D. Environmental and Social Standards.**

1. The Recipient shall, and shall cause the Project Implementing Entity to, ensure that the Project is carried out in accordance with the Environmental and Social Standards, in a manner acceptable to the Association.
2. Without limitation upon paragraph 1 above, the Recipient shall, and shall cause the Project Implementing Entity to, ensure that the Project is implemented in accordance with the Environmental and Social Commitment Plan (“ESCP”), in a manner acceptable to the Association. To this end, the Recipient shall, and shall cause the Project Implementing Entity to, ensure that:
  - (a) the measures and actions specified in the ESCP are implemented with due diligence and efficiency, as provided in the ESCP;
  - (b) sufficient funds are available to cover the costs of implementing the ESCP;
  - (c) policies and procedures are maintained, and qualified and experienced staff in adequate numbers are retained to implement the ESCP, as provided in the ESCP; and
  - (d) the ESCP, or any provision thereof, is not amended, repealed, suspended or waived, except as the Association shall otherwise agree in writing, as specified in the ESCP, and ensure that the revised ESCP is disclosed promptly thereafter.
3. Without limitation upon the provisions of paragraph 2 above, if sixty (60) days prior to the Closing Date, the Association determines that there are measures and actions specified in the ESCP which will not be completed by the Closing Date, the Recipient shall: (a) not later than thirty (30) days before the Closing Date, prepare and present to the Association, an action plan satisfactory to the Association on the outstanding measures and actions, including a timetable and budget allocation for such measures and actions (which action plan shall be deemed to be an amendment of the ESCP); and (b) thereafter, carry out said action plan in accordance with its terms and in a manner acceptable to the Association.
4. In case of any inconsistencies between the ESCP and the provisions of this Agreement, the provisions of this Agreement shall prevail.
5. The Recipient shall, and shall cause the Project Implementing Entity to, ensure that:
  - (a) all measures necessary are taken to collect, compile, and furnish to the Association through regular reports, with the frequency specified in the ESCP, and promptly in a separate report or reports, if so requested by the Association, information on the status of compliance with the ESCP and

the environmental and social instruments referred to therein, all such reports in form and substance acceptable to the Association, setting out, inter alia: (i) the status of implementation of the ESCP; (ii) conditions, if any, which interfere or threaten to interfere with the implementation of the ESCP; and (iii) corrective and preventive measures taken or required to be taken to address such conditions; and

- (b) the Association is promptly notified of any incident or accident related to or having an impact on the Project which has, or is likely to have, a significant adverse effect on the environment, the affected communities, the public or workers, including, any workplace accidents that result in death, serious or multiple injury, pollution, or any violent labor unrest or dispute between the Recipient or the Project Implementing Entity or security forces (assigned to protect the Project) and local communities, or any case of sexual exploitation and abuse, sexual harassment and violence against minors, in accordance with the ESCP, the environmental and social instruments referenced therein and the Environmental and Social Standards.

- 6. The Recipient shall, and shall cause the Project Implementing Entity to, establish, publicize, maintain and operate an accessible grievance mechanism, to receive and facilitate resolution of concerns and grievances of Project-affected people, and take all measures necessary and appropriate to resolve, or facilitate the resolution of, such concerns and grievances, in a manner acceptable to the Association.
- 7. The Recipient shall, and shall cause the Project Implementing Entity to, ensure that all bidding documents and contracts for civil works under the Project include the obligation of contractors and subcontractors to: (a) comply with the relevant aspects of ESCP and the environmental and social instruments referred to therein; and (b) adopt and enforce codes of conduct that should be provided to and signed by all workers, detailing measures to address environmental, social, health and safety risks, and the risks of sexual exploitation and abuse, sexual harassment and violence against children, all as applicable to such civil works commissioned or carried out pursuant to said contracts.

**E. Annual Work Plans and Budgets**

- 1. Each year, the Recipient shall:
  - (a) 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, setting forth, *inter alia*: (i) a detailed description of planned Project activities for the following Fiscal Year; (ii) the sources and uses of funds therefor; and (iii) responsibility for execution of said

Project activities, budgets, start and completion date, outputs, and monitoring indicators to track progress of each activity;

- (b) furnish to the Association, as soon as available, but in any case not later than November 30 of each year, the annual work plans and budgets approved by the 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, and the evidence which may be required for the implementation of the activities included in the draft annual work plan and budget for such period 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 a financing from the proceeds of the Financing; and
  - (c) ensure that the Project is carried out in accordance with the Annual Work Plans and Budgets (provided, however, that in the event of any conflict between the Annual Work Plans and Budgets and the provisions of this Agreement, the provisions of this Agreement shall prevail).
2. 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 method 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.
3. Annual Work Plans and Budgets may be revised as needed during Project implementation subject to the Association's prior approval.

**F. Contingent Emergency Response Component**

1. In order to ensure the proper implementation of contingent emergency response activities under Part 5 of the Project ("Contingent Emergency Response Component"), the Recipient shall ensure that:
- (a) a manual ("CERC Manual") is prepared and adopted in form and substance acceptable to the Association, which shall set forth detailed implementation arrangements for the Contingent Emergency Response Component, including: (i) any structures or institutional arrangements for coordinating and implementing the Contingent Emergency Response Component; (ii) specific activities related to food insecurity which may be included in the Contingent Emergency Response Component, Eligible Expenditures required therefor ("Emergency Expenditures"), and any procedures for such inclusion; (iii) financial management arrangements

for the Contingent Emergency Response Component; (iv) procurement methods and procedures for the Contingent Emergency Response Component; (v) documentation required for withdrawals of Financing amounts to finance Emergency Expenditures; (vi) a description of the environmental and social assessment and management arrangements for the Contingent Emergency Response Component; and (vii) a template Emergency Action Plan;

- (b) the Emergency Action Plan is prepared and adopted in form and substance acceptable to the Association;
  - (c) the Emergency Response Component is carried out in accordance with the CERC Manual and the Emergency Action Plan; provided, however, that in the event of any inconsistency between the provisions of the CERC Manual or the Emergency Action Plan and this Agreement, the provisions of this Agreement shall prevail; and
  - (d) neither the CERC Manual or the Emergency Action Plan is amended, suspended, abrogated, repealed or waived without the prior written approval by the Association.
2. The Recipient shall ensure that the structures and arrangements referred to in the CERC Manual are maintained throughout the implementation of the Contingent Emergency Response Component, with adequate staff and resources satisfactory to the Association.
3. The Recipient shall ensure that:
- (a) the environmental and social instruments required for the Contingent Emergency Response Component are prepared, disclosed and adopted in accordance with the CERC Manual and the ESCP, and in form and substance acceptable to the Association; and
  - (b) the Contingent Emergency Response Component is carried out in accordance with the environmental and social instruments in a manner acceptable to the Association.
4. Activities under the Contingency Emergency Response Component shall be undertaken only after an Eligible Crisis or Emergency has occurred.

**Section II. Project Monitoring, Reporting and Evaluation**

1. The Recipient shall furnish to the Association each Project Report not later than forty-five (45) days after the end of each calendar semester, covering the calendar semester, and which shall include inputs from JIRAMA on its Respective Part of the Project.
2. Except as may otherwise be explicitly required or permitted under this Agreement or as may be explicitly requested by the Association, in sharing any information, report or document related to the activities described in Schedule 1 of this Agreement, the Recipient shall ensure, and cause JIRAMA to ensure, that such information, report or document does not include Personal Data.

**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:

| <b>Category</b>  | <b>Amount of the Credit Allocated (expressed in SDR)</b> | <b>Amount of the Grant Allocated (expressed in SDR)</b> | <b>Percentage of Expenditures to be Financed (inclusive of Taxes)</b> |
|--|--|---|---|
| (1) Goods, works, non-consulting services, consulting services, Operating Costs and Training for the Project | 77,290,000   | 79,600,000  | 100%  |
| (2) Refund of Preparation Advance  | 1,740,000  | 0   | Amount payable pursuant to Section 2.07 (a) of the General Conditions |
| (3) Involuntary Resettlement   | 570,000  | 0   | 100%  |

|   |            |            |      |
|---|------------|------------|------|
| Compensation under Part 4.3 of the Project                    |            |            |      |
| (4) Emergency Expenditures under Part 5 of the Project (CERC) | 0          | 0          | 100% |
| <b>TOTAL AMOUNT</b>   | 79,600,000 | 79,600,000 |      |

**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, except that withdrawals up to an aggregate amount not to exceed SDR 31,840,000 may be made for payments made prior to this date but on or after January 1, 2022, for Eligible Expenditures under Category (1); or
  - (b) under Category (4), until and unless all of the following conditions have been met in respect of said expenditures, namely that: (i) the Recipient has determined that an Eligible Crisis or Emergency has occurred, and has furnished to the Association a request to withdraw Financing amounts under Category (4); and (ii) the Association has agreed with such determination, accepted said request and notified the Recipient thereof; and (ii) the Recipient has adopted the CERC Manual and Emergency Action Plan, in form and substance acceptable to the Association.
2. The Closing Date is September 30, 2027.



**SCHEDULE 3**

**Repayment Schedule**

| <b>Date Payment Due</b>   | <b>Principal Amount of the Credit Repayable (expressed as a percentage)*</b> |
|---|--|
| On each March 1 and September 1, commencing September 1, 2028 to and including March 1, 2060. | 1.5625%  |

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

## **APPENDIX**

### **Definitions**

1. “Annual Work Plans and Budgets” and the singular thereof mean the annual work plans and budgets for the Project, referred to in Section I.E of Schedule 2 to this Agreement.
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. “Category” means a category set forth in the table in Section III.A of Schedule 2 to this Agreement.
4. “CERC Manual” means the manual referred to in Section I.F. of Schedule 2 to this Agreement, as such manual may be updated from time to time with the agreement of the Association, and which is an integral part of the Operational Manual.
5. “Contingent Emergency Response Component” means any activity or activities to be carried out under Part 5 of the Project to respond to an Eligible Crisis or Emergency.
6. “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.
7. “Emergency Action Plan” means the plan referred to in Section I.F. of Schedule 2 to this Agreement, detailing the activities, budget, implementation plan, and monitoring and evaluation arrangements, to respond to the Eligible Crisis or Emergency.
8. “Emergency Expenditures” means any of the eligible expenditures set forth in the CERC Manual in accordance with the provisions of Section I.F. of Schedule 2 to this Agreement and required for the Contingent Emergency Response Component.
9. “Environmental and Social Commitment Plan” or “ESCP” means the environmental and social commitment plan for the Project, dated April 19, 2022, as the same may be amended from time to time in accordance with the provisions thereof, which sets out the material measures and actions that the Recipient shall carry out or cause to be carried out to address the potential environmental and social risks and impacts of the Project, including the timeframes of the actions and measures, institutional, staffing, training, monitoring and reporting arrangements, and any environmental and social instruments to be prepared thereunder.

10. “Environmental and Social Standards” or “ESSs” means, collectively: (i) “Environmental and Social Standard 1: Assessment and Management of Environmental and Social Risks and Impacts”; (ii) “Environmental and Social Standard 2: Labor and Working Conditions”; (iii) “Environmental and Social Standard 3: Resource Efficiency and Pollution Prevention and Management”; (iv) “Environmental and Social Standard 4: Community Health and Safety”; (v) “Environmental and Social Standard 5: Land Acquisition, Restrictions on Land Use and Involuntary Resettlement”; (vi) “Environmental and Social Standard 6: Biodiversity Conservation and Sustainable Management of Living Natural Resources”; (vii) “Environmental and Social Standard 7: Indigenous Peoples/Sub-Saharan Historically Underserved Traditional Local Communities”; (viii) “Environmental and Social Standard 8: Cultural Heritage”; (ix) “Environmental and Social Standard 9: Financial Intermediaries”; (x) “Environmental and Social Standard 10: Stakeholder Engagement and Information Disclosure”; effective on October 1, 2018, as published by the Association.
11. “Fiscal Year” means the fiscal year of the Recipient going from January 1 to December 31 each calendar year.
12. “General Conditions” means the “International Development Association General Conditions for IDA Financing, Investment Project Financing”, dated December 14, 2018 (revised on August 1, 2020, April 1, 2021, and January 1, 2022).
13. “Greater Antananarivo” means the area in the Recipient’s territory covering the four districts of the Urban Antananarivo Commune (or Antananarivo Renivohitra), Antananarivo Atsimondrano, Antananarivo Avaradrano and Antananarivo Ambohidratrimo.
14. “Involuntary Resettlement Compensation” means expenditures incurred for cash compensation and/ or other assistance paid for involuntary resettlement under Part 4.3 of the Project, such as costs related to moving, compensation to tenant farmers, special assistance to Project-affected people, and for temporary loss of livelihoods, as set forth in the RAP(s) and or/ relevant site-specific RAP, acceptable in form and substance to the Association.
15. “JIRAMA” means *Jiro sy rano Malagasy*, the Recipient’s state-owned electricity and water service provider established and operating pursuant to ordinance No. 75-024 of October 17, 1975.
16. “JIRAMA-PIU” means the Project implementation unit established within JIRAMA, as further detailed in Section I.A. of Schedule 2 to this Agreement.

17. “MEAH” means *Ministère de l’Eau, de l’Assainissement et de l’Hygiène*, the Recipient’s ministry in charge of water, sanitation and hygiene, or its legal successor thereto as agreed upon with the Association.
18. “MEAH-PIU” means the Project implementation unit established by the Recipient within MEAH, as further detailed in Section I.A. of Schedule 2 to this Agreement.
19. “MEN” means *Ministère de l’Education Nationale*, the Recipient’s ministry in charge of education, or its legal successor thereto as agreed upon with the Association.
20. “MINSANP” means *Ministère de la Sante Publique*, the Recipient’s ministry in charge of public health, or its legal successor thereto as agreed upon with the Association.
21. “Operating Costs” means the reasonable incremental operating expenses, based on Annual Work Plans and Budgets approved by the Association, incurred by JIRAMA or MEAH on account of the Project implementation, management and monitoring, including operation and maintenance costs of office, vehicles maintenance and office equipment, water and electricity utilities, telephone, office lease and supplies, bank charges, public awareness-related media expenditures, travel and supervision costs, *per diem*, additional staff costs, but excluding the salaries of officials and public servants of the Recipient's civil service or of the Project Implementing Entity.
22. “Performance Improvement Action Plan” means the action plan to improve the Project Implementing Entity’s performance, under Part 2.2(a) of the Project, to be adopted and disclosed in accordance with terms of reference, and in form and substance satisfactory to the Association, as referred to in Section I.A(6) of Schedule 2 to this Agreement and Section I.A(3) of the Schedule to the Project Agreement.
23. “Personal Data” means any information relating to an identified or identifiable individual. An identifiable individual is one who can be identified by reasonable means, directly or indirectly, by reference to an attribute or combination of attributes within the data, or combination of the data with other available information. Attributes that can be used to identify an identifiable individual include, but are not limited to, name, identification number, location data, online identifier, metadata and factors specific to the physical, physiological, genetic, mental, economic, cultural or social identity of an individual.
24. “Preparation Advance” means the advance No. V3950 referred to in Section 2.07 (a) of the General Conditions, granted by the Association to the Recipient pursuant to the letter agreement signed on behalf of the Association on November 30, 2021, and on behalf of the Recipient on December 17, 2021.

25. “Procurement Regulations” means, for purposes of paragraph 87 of the Appendix to the General Conditions, the “World Bank Procurement Regulations for IPF Borrowers”, dated November 2020.
26. “Project Implementing Entity” means JIRAMA.
27. “Project Implementing Entity’s Respective Part of the Project” and “Respective Part of the Project” mean the parts of the Project implemented by JIRAMA, namely Parts 1, 2.1, 2.2, 2.3, 3.1, and 4.3 of the Project.
28. “Project Implementation Manual” and the acronym “PIM” mean the manual for the Project, referred to in Section I.C of Schedule 2 to this Agreement.
29. “RAP” and “Resettlement Action Plan” means a resettlement action plan for the Project, adopted by the Recipient or the Project Implementing Entity, and satisfactory to the Association, as referred to in the ESCP. “RAPs” means more than one or all such RAP, as justified in context.
30. “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.
31. “Steering Committee” means the steering committee established by the Recipient for the Project, referred to in Section I.A. of Schedule 2 to this Agreement.
32. “Subsidiary Agreement” means the agreement between the Recipient, through the MEAH-PIU and JIRAMA for the implementation of the Project, referred to in Section I.B. of Schedule 2 to this Agreement.
33. “Training” means the reasonable cost of training under the Project, based on the Annual Work Plans and Budgets, including costs associated with seminars, workshops, conference and study tours, travel and subsistence costs for training participants, services of trainers, rental of training facilities, preparation and reproduction of training materials and other activities directly related to course preparation and implementation.
34. “Urban Antananarivo Commune” means *Commune Urbaine d’Antananarivo*.