
CREDIT NUMBER7263-MG

Financing Agreement

(Madagascar Safety Nets and Resilience Project)

between

THE REPUBLIC OF MADAGASCAR

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

CREDIT NUMBER 7263-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 credit, which is deemed as Concessional Financing for purposes of the General Conditions, in an amount equivalent to one hundred ninety-four million nine hundred thousand Special Drawing Rights (SDR 194,900,000) (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 May 15 and November 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: (a) carry out Part 3 of the Project through the Ministry of Population, Social Protection and Promotion of Women (“MPSPPW”), and (b) cause Parts 1, 2 and 4 of the Project to be carried out by the Fonds

d'Intervention pour le Développement ("FID"); all 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 Additional Condition of Effectiveness consists of the following, namely, that the Subsidiary Agreement has been executed on behalf of the Recipient and FID in form and substance satisfactory to the Association.
- 4.02. The Effectiveness Deadline is the date one hundred and eighty (180) days after the Signature Date.
- 4.03. 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:

Ministère de l'Economie et des Finances
BP 61 Antananarivo 101
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: 16-Jan-2023

INTERNATIONAL DEVELOPMENT ASSOCIATION

By



Authorized Representative

Name: Idah Z. Pswarayi-Riddihough

Title: Country Director for Mozambique, Madagascar, CO

Date: 12-Jan-2023

SCHEDULE 1

Project Description

The objective of the Project is to support the Government of Madagascar in increasing the access of extremely poor households to safety net services, developing the social protection system, and promoting resilience to shocks.

The Project consists of the following parts:

Part 1: Safety Nets and Resilience

1.1. Human Development Cash Transfer

Supporting the implementation of the Human Development Cash Transfer Program (“HDCT”) for HDCT Eligible Households in HDCT Selected Regions, including through the HDCT-Fiavota program, by financing Cash Transfers; including the provision of technical assistance, Training, Operating Costs, and goods required for the purpose.

1.2. Productive Safety Net Program

Supporting the implementation of the Productive Safety Net Program (“PSNP”) for PSNP Eligible Households in PSNP Selected Regions by financing: (a) Cash - for-work Transfers contributing to improved agriculture-based livelihoods, increased food production, adoption of improved agricultural techniques, and climate change adaptation; and (b) Cash Transfers to selected labor constrained PSNP Eligible Households; including the provision of technical assistance, Training, Operating Costs, and goods required for the purpose.

1.3. Response to Future Crises

Supporting response to future crisis in Selected Disaster Situations through: (i) unconditional Cash Transfers for vulnerable populations, horizontal expansion to new Cash Recipients or vertical expansion for existing Cash Recipients through top-ups on cash transfer amounts in areas where the HDCT and PSNP are operational; (ii) Cash-for-work Transfers for vulnerable populations in areas where manual labor is required to rehabilitate damaged physical infrastructure or assets, or to temporarily boost food production through agricultural-based activities; (iii) basic social-economic infrastructure rehabilitation and/or reconstruction in areas affected by natural disasters; and (iv) provision of nutritional supplements.

1.4. Resilience, Economic Inclusion and Human Capital Accompanying Measures

Providing Training, technical assistance and microentrepreneurial Subgrants for the Cash Recipients under the HDCT, PSNP and Part 1.3 above (“Subgrant

Beneficiaries”), including support for financial and productive inclusion, accompanying measures to promote resilience, economic inclusion and human capital, Training in soft skills and life skills, and as needed, goods required for the purpose.

Part 2: Strengthening Safety Net Administration, Monitoring and Social Accountability

Strengthening the administration of safety net programs by supporting: (a) the coordination, implementation and monitoring of Project activities and Operating Costs; (b) the implementation of environmental and social requirements; (c) the implementation of a communications strategy covering operational aspects of the Project; (d) transitioning increasingly to mobile payments in partnership with mobile operators; (e) Training for implementing partners and FID staff; (f) continued strengthening of FID information systems, including interoperability with the social registry and identification systems; and (g) the implementation and strengthening of FID’s social accountability mechanisms and the Project grievance redress mechanism.

Part 3: Building the Institutional Capacity for the Coordination of the Social Protection System

Supporting MPPSPW in:(a) the monitoring and evaluation of social protection programs; (b) strengthening national coordination mechanisms to support vertical and horizontal expansion of cash transfers in response to crisis; (c) the maintenance and promotion of the beneficiary registry; (d) leveraging the existing beneficiary registry to establish a social registry covering potential beneficiary households in selected areas; (e) coordination between the social registry and the national identification system to be established to ensure a unique identity for each household in the social registry; (f) strengthening MPSPPW's financial management and procurement capacity; (g) coordination of environmental and social management mechanisms; (h) coordination of thematic social protection groups; (i) implementation of the communication strategy covering strategic aspects of the Project; (j) financing of operational, technical and financial audits; (k) Operating Costs, Training and capacity building; and (i) upkeep and maintenance of MPSPPW premises.

Part 4: Contingent Emergency Response

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

SCHEDULE 2

Project Execution

Section I. Implementation Arrangements

A. Institutional Arrangements

The Recipient shall maintain the following institutional arrangements, further described in the Operational Manuals, throughout the implementation of the Project.

1. MPSPPW

- (a) The Recipient shall maintain the function of Secretary General of the MPSPPW, who supports the coordination of the Recipient's social protection policy, with mandate, composition, and resources acceptable to the Association. In particular, the Recipient shall maintain at all times sufficient staff within the MPSPPW, each with adequate terms of reference, qualifications, and experience for the Project. The Secretary General shall be responsible for oversight and strategic guidance of the technical and fiduciary implementation of Part 3 of the Project.
- (b) The Recipient shall maintain the General Directorate of Social Protection ("GDSP") within the MPSPPW with mandate, composition, and resources acceptable to the Association. In particular, the Recipient shall maintain at all times sufficient staff within the GDSP, each with adequate terms of reference, qualifications, and experience for the Project, as such staff shall be further listed in the MPSPPW Manual. The GDSP shall be responsible for the coordination and the operational and fiduciary management of activities under Part 3 of the Project. Without prejudice and in addition to the provisions of the ESCP, no later than one (1) month after the Effective Date, the GDSP shall recruit and maintain throughout the Project: (i) a procurement specialist; (ii) a financial management specialist; and (iii) any other technical specialists as relevant and agreed with the Association; all recruited or appointed in accordance with the provisions of the Procurement Regulations, and on the basis of terms of reference, qualifications and experience acceptable to the Association. No later than six (6) months after the Effective Date, the Recipient, through DGPS shall recruit an external auditor for the Project, in accordance with the Procurement Regulations.

2. FID

- (a) The Recipient shall maintain, or cause to be maintained, the FID with terms of reference, organization and resources acceptable to the Association, as further detailed in the Operations Manuals.
- (b) The FID, as Project Implementing Entity, shall be responsible for the coordination and implementation of the Project activities under Parts 1, 2, and 4 of the Project, including planning, quality oversight, implementation, procurement, financial management, environmental and social standards and monitoring of Project activities.
- (c) Without limitation to the generality of the foregoing provisions of paragraph (a) immediately above and to the provisions of the ESCP, the FID shall maintain throughout the implementation of the Project *inter alia* the following staff to dedicate at least part of his/her time to the Project:
 - (i) at the central level: a director-general, an administration and financial management director, a PSNP director, an HDCT director, a crisis response safety nets operations director, a programming evaluation, monitoring and information system director, an accompanying measures specialist, a procurement specialist, a financial management specialist, a cash transfers payment coordinator, an evaluation and monitoring specialist, an information system specialist, a governance and gender specialist, at least 2 accountants, an internal auditor, a cash transfers and payments compliance specialist, and a legal specialist; and
 - (ii) in its relevant inter-regional offices: an inter-regional director, an accountant, a monitoring and evaluation specialist, an HDCT coordinator, a PSNP coordinator, and an accompanying measure specialist as relevant; all on the basis of terms of reference, qualifications and experience satisfactory to the Association.

B. Other Implementation Arrangements

1. Subsidiary Agreement

- (a) To facilitate the carrying out by FID of Parts 1, 2 and 4 of the Project, the Recipient shall make part of the proceeds of the Financing allocated from time to time to Categories (1), (2) and (4) available to the FID under a subsidiary agreement between the Recipient and the FID (as the Project Implementing Entity), under terms and conditions approved by the Association, which shall include the following (“Subsidiary Agreement”):
 - (i) the obligation of the Recipient to:

- (A) make the funds of Parts 1, 2 and 4 of the Project available to the FID in the form of a grant, subject to the terms of this Agreement; and
 - (B) take all actions necessary to permit the FID to carry out Parts 1, 2 and 4 of the Project and ensure the achievement of the objective thereof;
- (ii) the obligation of the FID, as the Project Implementing Entity, to:
- (A) carry out Parts 1, 2 and 4 of the Project in accordance with this Agreement, the Subsidiary Agreement, the Operational Manuals, the Anti-Corruption Guidelines, the Procurement Regulations, the Annual Work Plans and Budgets, the Procurement Plan, and the Environmental and Social Commitment Plan;
 - (B) promptly refund to the Recipient for further refund to the Association any proceeds from the Financing not used for purposes of carrying out Parts 1, 2 and 4 of the Project or for achieving the objective thereof, or otherwise utilized in a manner inconsistent with the provisions of this Agreement;
 - (C) at the request of the Recipient or the Association, exchange views with the Recipient and the Association with regard to the progress of Parts 1, 2 and 4 of the Project and the achievement of the objective thereof, and the FID's compliance with its obligations related to the implementation of the Project in accordance with Section (ii) (A) immediately above; and
 - (D) promptly inform the Recipient of any condition which interferes or threatens to interfere with the implementation of Parts 1, 2 and 4 of the Project and the achievement of the objective thereof; and
- (iii) a provision stipulating that, in case of conflict between any of the provisions contained in the Subsidiary Agreement or the Operational Manuals, on one hand, and those set forth in this Agreement, on the other hand, the provisions of this Agreement shall at all times prevail.
- (b) The Recipient shall exercise its rights and carry out its obligations 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.

2. **Safety Net Programs**

- (a) For the purposes of Part 1 of the Project, the Recipient shall cause the FID to enter into agreements with payment agencies and/or implementation agencies (each a “Safety Net Agency”), as applicable, selected on the basis of terms of reference, qualifications and experience satisfactory to the Association and in accordance with the Procurement Regulations for the purpose of, *inter alia*: (i) transferring cash to eligible recipients of Cash Transfers and Cash-for-work Transfers (each a “Cash Recipient”) under the Project; (ii) carrying out the safety net programs under Parts 1.1, 1.2, and 1.3 of the Project; and/or (iii) providing implementation support, as follows:
 - (A) for the implementation of Part 1.1 of the Project, the FID shall enter into agreements with relevant Safety Net Agencies on the basis of the terms of reference attached to the HDCT Manual (each a “HDCT Agreement”);
 - (B) for the implementation of Part 1.2 of the Project, the FID shall enter into agreements with relevant Safety Net Agencies on the basis of the terms of reference attached to the PSNP Manual (each a “PSNP Agreement”); and
 - (C) for the implementation of Part 1.3 of the Project: (i) the FID shall enter into agreements with relevant Safety Net Agencies on the basis of the terms of reference attached to the Crisis Response Safety Nets Manual (each a “CRSN Agreement”); (ii) the Recipient shall cause the FID to enter into agreements with contractors, selected on the basis of terms of reference, qualifications and experience satisfactory to the Association and in accordance with the Procurement Regulations for the purpose of the rehabilitation and/or reconstruction of damaged infrastructure in affected communities in Selected Disaster Situations.
- (b) Under each HDCT Agreement, PSNP Agreement, and CRSN Agreement (each a “Cash Agreement”), the FID shall obtain rights adequate to protect the interests of the Recipient and the Association, including the right to require:

- (i) the Safety Net Agency to carry out its activities under Part 1 of the Project, with due diligence and efficiency and in accordance with sound technical, economic, financial, managerial, environmental, health and safety, labor, social and security standards and practices satisfactory to the Association including, without limitation to the generality of the foregoing, in accordance with the provisions of the Anti-Corruption Guidelines applicable to recipients of Financing proceeds other than the Recipient, the relevant Operational Manuals and the Environmental and Social Commitment Plan;
- (ii) the Safety Net Agency to: (A) 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 the activities carried out under the Project; and (B) at the FID's, the Association's or the Recipient's request, have such financial statements audited by independent auditors acceptable to the Association, in accordance with consistently applied auditing standards acceptable to the Association, and furnish promptly to the FID, the Recipient and the Association the financial statements as so audited;
- (iii) for the purpose of implementing its activities under the Project, the Safety Net Agency to, *inter alia*, prepare and submit to the FID technical and financial proposals; carry out information and communication campaigns on the activities; organize and train Cash Recipients, and, in the case of Cash-for-work Transfers, enroll Cash Recipients, meeting the criteria defined in the Operational Manuals to participate in the activities; organize and supervise the implementation of the activities; and pay the Cash Recipients, where applicable, as further described in the Operational Manuals;
- (iv) the Safety Net Agency to enable the FID, the Recipient and the Association to inspect the activities carried out under the Project, their operation and any relevant records and documents, and prepare and furnish to the FID, the Recipient and the Association, all such information as the FID, the Recipient or the Association shall reasonably request relating to the foregoing; and
- (v) for the payment to Cash Recipients, the Safety Net Agency shall:
 - (A) open and thereafter maintain, for a term equal to the term of the Cash Agreement, a separate account (each a "Cash

Account”) for the exclusive purpose of depositing funds for payments to be made by the Safety Net Agency to Cash Recipients;

- (B) deposit funds in said Cash Account in accordance with the provisions of the Cash Agreement. The Cash Account shall be opened in a commercial bank acceptable to the Association, with terms and conditions satisfactory to the Association including, *inter alia*, a waiver of any rights said commercial bank may have to set off any amount deposited in the Cash Account with any other debt;
 - (C) disburse funds from the Cash Account for payments in accordance with the provisions of the Cash Agreement;
 - (D) ensure that all amounts deposited in the Cash Account are used exclusively to make payments in accordance with the detailed provisions, procedures, sequencing and timing in relation thereto as set forth in the Operational Manuals, and in compliance with the Anti-Corruption Guidelines; and
 - (E) promptly refund to the FID, for further refund to the Recipient and then further refund to the Association any proceeds from the Cash Account not used for purposes of payment to Cash Recipients in accordance with the provisions of the Cash Agreement, or otherwise utilized in a manner inconsistent with the provisions of this Agreement.
- (c) The Recipient shall cause the FID to exercise its rights under the Cash Agreements in such manner as to protect the interests of the FID, the Recipient and the Association and to accomplish the purposes of the Financing. Except as the Association shall otherwise agree, the Recipient shall not permit the FID to assign, amend, abrogate or waive any of the Cash Agreements or any of their provisions.

3. **Subgrants under Part 1.4 of the Project**

- (a) The Recipient shall, through the FID, make Subgrants available to selected Subgrant Beneficiaries under Part 1.4 of the Project in accordance with the eligibility criteria, payment and verification modalities and procedures acceptable to the Association, as further set out in the FID Operating Manual and the FID Financial Management and Procurement Manual.

- (b) The Recipient, shall, through the FID, enter into agreements (“Subgrant Agreements”) with the selected Subgrant Beneficiaries to make such Subgrants available.
- (c) Such Subgrants shall be made on a non-reimbursable basis.
- (d) The Recipient shall ensure that each such Subgrant Agreement under the Project shall comply with the form and substance of the template included in the FID Operating Manual and the FID Financial Management and Procurement Manual.
- (e) The Recipient shall, through the FID, exercise its rights under each Subgrant 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 and/or the FID shall not assign, amend, abrogate or waive any Subgrant Agreement or any of its provisions.

C. Implementation Agreements

- 1. No later than one (1) month after the Effective Date, the Recipient, through MPSPPW, shall sign and thereafter maintain implementation agreements on terms and conditions satisfactory to the Association (“Implementation Agreements”) which shall define, inter alia, the roles and responsibilities and cross-sectoral collaboration mechanisms between: (i) MPSPPW and FID; (ii) MPSPPW, FID and the National Office for Risk and Disaster Management (“BNGRC”); (iii) MPSPPW and key ministries as identified in the Operational Manuals; and (iv) FID and other public and private sector entities relevant to Project implementation, as such entities shall be identified through the Operational Manuals.
- 2. The Recipient shall exercise its rights or carry out its obligations under the Implementation Agreements in such manner as to protect the interests of the Recipient and the Association and to accomplish the purposes of the Project. Except as the Association shall otherwise agree, the Recipient shall not assign, amend, abrogate, waiver, terminate or fail to enforce the Implementation Agreements or any of its provisions.

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 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 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 and supervising entities 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. Operational Manuals

- 1.
 - (a) The Recipient shall ensure, and cause FID to ensure, that the Project is carried out in accordance with the Operational Manuals, the Subsidiary Agreement, and the Implementation Agreements.
 - (b) The Operational Manuals for Grant No. D774-MG shall be updated to incorporate this Financing and thereafter maintained and shall contain detailed guidelines and procedures for the implementation of the Project, including with respect to: administration and coordination; monitoring and evaluation; financial management, procurement and accounting procedures; environmental and social requirements; corruption and fraud mitigation measures; a grievance redress mechanism; eligibility criteria, payment and verification modalities and procedures for implementation of the Cash Transfers, Cash-for-Work Transfers and Subgrants under Part 1 of the Project; Personal Data collection and processing in accordance with good international practice; roles and responsibilities for Project implementation; and such other arrangements and procedures as shall be required for the effective implementation of the Project, in form and substance satisfactory to the Association.

- (c) Except as the Association shall otherwise agree, the Recipient shall not assign, amend, abrogate, or waive any of the Operational Manuals, the Implementation Agreements, or any provision thereof.
2. In the event of any conflict between the provisions of any of the Operational Manuals, the Implementation Agreements and those of this Agreement, the provisions of this Agreement shall prevail.

F. Contingent Emergency Response

1. In order to ensure the proper implementation of contingent emergency response activities under Part 4 of the Project (“Contingent Emergency Response Part”), 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 Part, including: (i) any structures or institutional arrangements for coordinating and implementing the Contingent Emergency Response Part; (ii) specific activities which may be included in the Contingent Emergency Response Part, Eligible Expenditures required therefor (“Emergency Expenditures”), and any procedures for such inclusion; (iii) financial management arrangements for the Contingent Emergency Response Part; (iv) procurement methods and procedures for the Contingent Emergency Response Part; (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 Part; 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 Part 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 Part, with adequate staff and resources satisfactory to Association.

3. The Recipient shall ensure that:
 - (a) the environmental and social instruments required for the Contingent Emergency Response Part 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 Part 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 Part shall be undertaken only after an Eligible Crisis or Emergency has occurred.

G. Annual Work Plans and Budgets

1. Each year the Recipient shall prepare, in coordination with the FID and MPPSPW, 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, as soon as available, but in any case not later than November 30 of each year, the annual work plans and budgets, 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 the 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.
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.

H. Use of Military and/or Security Actors and Ineligibility of Expenditures Used for Law-Enforcement, Military or Paramilitary Purposes

1. The Recipient shall, and shall cause the FID to, notify the Association before deploying security consultants/consulting firms and/or the Recipient's security or armed forces for the provision of security to Project workers, sites and/or assets. All activities carried out by security consultants/consulting firms and/or the Recipient's security or armed forces under the Project shall be under the control of the Recipient and shall be undertaken exclusively for the purposes related to the Project. All goods, works, services, incremental Operating Costs, and Training financed by the Financing proceeds may be used by the security or armed forces, or paid to the security consultants/consulting firms under the direction and control of the Recipient, and strictly in accordance with the Operational Manuals and/or other arrangements or protocols that the Association may require for carrying out these activities.
2. The Recipient further undertakes that no Financing proceeds or Project resources may be used for law-enforcement, military, or paramilitary purposes; or for any payments made to any law-enforcement, security, military, or paramilitary forces without the Association's express approval.
3. The Recipient shall, and shall cause the FID to, take measures related to the use of security or military personnel (including security consultants/consulting firms) when providing security to Project workers, sites and/or assets, in a manner satisfactory to the Association and as further detailed in the ESCP.

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.
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 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 finance Eligible

Expenditures in the amount allocated and, if applicable, up to the percentage set forth against each Category of the following table:

Category	Amount of the Credit Allocated (expressed in SDR)	Percentage of Expenditures to be Financed (Inclusive of Taxes)
(1) (a) Cash Transfers under Parts 1.1 and 1.2(b) of the Project; Cash-for-work Transfers under Part 1.2(a) of the Project; and goods, non-consulting services, consulting services, Operating Costs, and Training for Parts 1.1 and 1.2 of the Project (b) Cash Transfers under Part 1.3 (i) of the Project (c) Cash-for-work Transfers and goods, works, non-consulting services, consulting services, Operating Costs, and Training under Parts 1.3(ii), 1.3(iii) and 1.3(iv) of the Project (d) Non-consulting services, consulting services, Operating Costs, Training, and Subgrants under Part 1.4 of the Project	108,370,000 16,850,000 5,820,000 35,700,000	0% until Categories 1 and 4 under Grant No. D774-MG are fully disbursed or committed and 100% thereafter
(2) Goods, works, non-consulting services, consulting services, Operating Costs, and Training under Part 2 of the Project	22,710,000	100%
(3) Goods, works, non-consulting services, consulting services, Operating Costs, and	5,450,000	100%

Training under Part 3 of the Project		
(4) Emergency Expenditures under Part 4 of the Project	0	100%
TOTAL AMOUNT	194,900,000	

B. Withdrawal Conditions; Withdrawal Period

1. Notwithstanding the provisions of Part A of this Section, no withdrawal shall be made:
 - (a) for payments made prior to the Signature Date; or
 - (b) under Category 1(a) and 1(c) unless and until the Recipient has prepared, disclosed, consulted and adopted an Environmental and Social management Framework (ESMF) and a Resettlement Framework; all in accordance with the ESCP and in form and substance satisfactory to the Association; or
 - (c) under Category 1(b) and 1(c) unless and until the Association is satisfied, and notified the Recipient of its satisfaction, that the Recipient has determined that a Selected Disaster Situation has occurred, has furnished to the Association a request to carry out activities described under Part 1.3 of the Project to respond to said Selected Disaster Situation, and the Association has agreed with such determination, accepted said request and notified the Recipient thereof, all in line with the procedures and requirements set forth in the Crisis Response Safety Nets Manual; or
 - (d) under Categories 1 and 2 , unless and until the Recipient, through FID, has adopted: (i) the Environmental and Social Operating Manual of FID, and (ii) the FID Financial Management and Procurement Manual; all in accordance with the ESCP, Section I.E of Schedule 2 to this Agreement, and in form and substance satisfactory to the Association; or
 - (e) under Category (3), unless and until the Recipient, through MPSPPW, has adopted: (i) the Environmental and Social Operating Manual of MPSPPW, and (ii) the MPSPPW Manual; all in accordance with the ESCP, Section I.E of Schedule 2 to this Agreement, and in form and substance satisfactory to the Association; or
 - (f) for Emergency Expenditures under Category (4), unless and until all of the following conditions have been met in respect of said expenditures:

- (i) (A) 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
 - (B) 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 March 31, 2027.

SCHEDULE 3

Repayment Schedule

Date Payment Due	Principal Amount of the Credit repayable (expressed as a percentage)*
On each May 15 and November 15:	
commencing May 15, 2033 to and including November 15, 2072	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. “Annual Work Plans and Budgets” means the annual work plans and budgets for the implementation of the Project approved by the Association, referred to in Section I.G. 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. “BNGRC” means National Office for Risk and Disaster Management (*Bureau National de Gestion de Risques et de Catastrophe*) or any successor thereto acceptable to the Association.
4. “Cash Account” means an account opened by a Safety Net Agency, in accordance with Section I.B.2 of Schedule 2 to this Agreement.
5. “Cash Agreement” means each HDCT Agreement, PSNP Agreement, and CRSN Agreement entered into between the FID and a Safety Net Agency in accordance with Section I.B.2 of Schedule 2 to this Agreement.
6. “Cash for Work Transfers” means the cash payment to be made to Cash Recipients in exchange for the implementation of specific development activities under the PSNP and Part 1.3(ii) of the Project.
7. “Cash Recipient” means an eligible recipient of a safety net program under a Cash Agreement in accordance with Section I.B.2 of Schedule 2 to this Agreement
8. “Cash Transfer” means the cash payment to be made to Cash Recipients under the HDCT, PSNP and Part 1.3 of the Project.
9. “Category” means a category set forth in the table in Section III.A of Schedule 2 to this Agreement.
10. “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.
11. “Contingent Emergency Response Part” means any activity or activities to be carried out under Part 4 of the Project to respond to an Eligible Crisis or Emergency.

12. “Crisis Response Safety Nets Manual” means the manual for the implementation of Part 1.3 of the Project.
13. “CRSN Agreement means any of the agreements referred to in Section I.B.2 of Schedule 2 to this Agreement.
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. “Emergency Action Plan” means the plan referred to in Section I.F, detailing the activities, budget, implementation plan, and monitoring and evaluation arrangements, to respond to the Eligible Crisis or Emergency.
16. “Emergency Expenditures” means any of the eligible expenditures set forth in the CERC Manual referred to in Section I.F of Schedule 2 to this Agreement and required for the Contingent Emergency Response Part.
17. “Environmental and Social Commitment Plan” or “ESCP” means the environmental and social commitment plan for the Project, dated November 18, 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.
18. “Environmental and Social Management Framework” or “ESMF” means the environmental and social management framework required in accordance with the ESCP.
19. “Environmental and Social Operating Manual of FID” means the environmental and social operating manual adopted by FID for the implementation of Parts 1, 2 and 4 of the Project.
20. “Environmental and Social Operating Manual of MPSPPW” means the environmental and social operating manual adopted by MPSPPW for the implementation of Part 3 of the Project.
21. “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 African 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.
22. “FID Financial Management and Procurement Manual” means the *Manuel de Procédures Administratives et Financères*, the financial management and procurement manual for the implementation of Parts 1, 2 and 4 of the Project.
23. “FID Operating Manual” means the *Manuel des Operations*, the operating manual for the implementation of Parts 1, 2 and 4 of the Project.
24. “FID’s Legislation” means, collectively, the Recipient’s Decree no. 93.044 dated January 27, 1993, on the recognition of FID as a public interest association, the Recipient’s Ordinance no. 60-133 on the general regime of associations, the Recipient’s Decree no. 60-383 dated October 5, 1960, the Recipient’s Ordinance no. 75-017 dated August 13, 1975, and its governing document (*statuts*) dated November 30, 2009.
25. “FID” means *Fonds d’Intervention pour le Développement*, the Project Implementing Entity, a public interest association legally established and operating on the Recipient’s territory in accordance with the FID’s Legislation.
26. “GDSP” means the General Directorate of Social Protection within the MPSPPW.
27. “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), with the modifications set forth in Section II of this Appendix.
28. “Grant No. D774-MG” means the grant extended to the Recipient in accordance with the *Financing Agreement for the Additional Financing for COVID-19 Response under the Madagascar Social Safety Net Project and Amendment to the Second Additional Financing Agreement* between the Recipient and the Association dated March 10, 2021.
29. “HDCT Agreement” means any of the agreements referred to in Section I.B.2 of Schedule 2 to this Agreement.

30. “HDCT Eligible Households” means households eligible for receiving Cash Transfers and accompanying measures under Parts 1.1 and 1.4 of the Project, as identified pursuant to the process set forth in the HDCT Manual.
31. “HDCT Manual” means the operational manual for the HDCT which sets forth, inter alia, the eligibility criteria, terms, conditions and procedures for cash payments under Part 1.1 of the Project.
32. “HDCT Selected Regions” means the geographic regions of the Recipient with high poverty rates selected for HDCT activities in accordance with the HDCT Manual.
33. “HDCT” means Human Development Cash Transfer Program.
34. “Implementation Agreements” means the agreements to be entered into by the Recipient through MPSPPW with (i) FID, (ii) FID and BNGRC; (iii) key ministries and (iv) main public and private sector entities with a role in Project implementation, on terms and conditions satisfactory to the Association, as referred to in Section I.C of Schedule 2 to this Agreement, as such agreements may be designated as for instance partnership convention or memorandum of understanding, as shall be agreed with the Association.
35. “MPSPPW Manual” means the administrative, procurement and financial management procedural manual of the MPSPPW.
36. “MPSPPW” means the Ministry of Population, Social Protection and Promotion of Women of the Recipient (*Ministère de la Population, de la Protection Sociale, et de la Promotion de la Femme*) or any successor thereto acceptable to the Association.
37. “Operating Costs” means the reasonable incremental operating expenses, based on Annual Work Plans and Budgets approved by the Association, incurred by the FID, the MPSPPW or their regional offices, on account of the Project implementation, management and monitoring, including operation and maintenance costs of office, vehicles and office equipment; water and electricity utilities, telephone, office 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 or the FID.
38. “Operational Manuals” means, collectively, the HDCT Manual, the PSNP Manual, the Crisis Response Safety Nets Manual, the FID Financial Management and Procurement Manual, the FID Operating Manual, the MPSPPW Manual, the Environmental and Social Operating Manual of FID, and the Environmental and Social Operating Manual of MPSPPW; all as adopted under Grant No. D774-MG and as updated for the purposes of this Financing.

39. “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.
40. “PNSP Manual” means the operational manual for the PSNP which sets forth, inter alia, the eligibility criteria, terms, conditions and procedures for cash payments under Part 1.2 of the Project.
41. “Procurement Regulations” means, for purposes of paragraph 85 of the Appendix to the General Conditions, the “World Bank Procurement Regulations for IPF Borrowers”, dated November 2020.
42. “Project Implementing Entity” means, for the purposes of the General Conditions, FID.
43. “PSNP Agreement” means any of the agreements referred to in Section I.B.2 of Schedule 2 to this Agreement.
44. “PSNP Eligible Households” means households eligible for receiving in Cash-for-work Transfers, Cash Transfers in the case of selected labor constrained households, and accompanying measures, under Parts 1.2 and 1.4 of the Project as identified pursuant to the process set forth in the PSNP Manual.
45. “PSNP Selected Regions” means the geographic regions of the Recipient, selected for PSN activities in accordance with the PSNP Manual.
46. “PSNP” means Productive Safety Net Program.
47. “Resettlement Framework” means the resettlement framework required in accordance with the ESCP.
48. “Safety Net Agency” means a payment or implementing agency contracted by the FID to implement Parts 1.1, 1.2 and 1.3 of the Project in accordance with Section I.B.2 of Schedule 2 to this Agreement.
49. “Secretary General of the MPSPPW” means the secretary general of the Ministry of Population, Social Protection and Promotion of Women or any successor thereto acceptable to the Association.

50. “Selected Disaster Situations” means an eligible disaster as described in the Implementation Agreement between MPSPPW, FID and the BNGRC, as identified by the BNGRC.
51. “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.
52. “Subgrant Agreement” means an agreement to be concludes between the FID and Subgrant Beneficiaries under Part 1.4 of the Project based on a template included in the FID Operating Manual and the FID Financial Management and Procurement Manual.
53. “Subgrant Beneficiary” means beneficiaries of the Subgrants provided under Part 1.4 of the Project and selected in accordance with the criteria laid out in the FID Operating Manual and the FID Financial Management and Procurement Manual.
54. “Subgrant” means a non-reimbursable grant issued to an eligible beneficiary, selected according to eligibility criteria stipulated in the FID Operating Manual and the FID Financial Management and Procurement Manual and under terms and conditions stipulated in said manuals.
55. “Subsidiary Agreement” means the agreement referred to in Section I.B.1 of Schedule 2 to this Agreement between the Recipient and the FID as Project Implementing Entity.
56. “Training” means the reasonable cost of training under the project, based on the Annual Work Plans and Budgets approved by the Association, 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.

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.