Financing Agreement

(Additional Financing For the Emergency Support to Critical Education, Health and Nutrition Services Project)

between

REPUBLIC OF MADAGASCAR

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

Dated Madr 27, 2014
FINANCING AGREEMENT

AGREEMENT dated March 27, 2014, entered into between the REPUBLIC OF MADAGASCAR ("Recipient") and INTERNATIONAL DEVELOPMENT ASSOCIATION ("Association") for the purpose of providing additional financing for the Original Project (as defined in the Appendix to this Agreement) and other activities related to the Original Project. 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) constitute an integral 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, in the Appendix to this Agreement or in the Original Financing Agreement. For the implementation of Component 3 of the Project, in case of inconsistency between the definition in the Appendix to this Agreement and the Original Financing Agreement, the provision of this Agreement shall prevail.

ARTICLE II — FINANCING

2.01. The Association agrees to extend to the Recipient, on the terms and conditions set forth or referred to in this Agreement, a credit in an amount equivalent to six million five hundred thousand Special Drawing Rights (SDR 6,500,000) (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 IV of Schedule 2 to this Agreement.

2.03. The Maximum Commitment Charge Rate payable by the Recipient on the Unwithdrawn Financing Balance shall be one-half of one percent (1/2 of 1%) per annum.

2.04. The Service Charge payable by the Recipient on theWithdrawn Credit Balance shall be equal to three-fourths of one percent (3/4 of 1%) per annum.

2.05. The Payment Dates are April 15 and October 15 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.
Cable: INDEVAS
Telex: 248423 (MCI)
Facsimile: 1-202-477-6391

Washington, D.C.

AGREED at Antananarivo, March 27, as of the day and year first above written.

REPUBLIC OF MADAGASCAR

By

Authorized Representative

Name: __________________________
Title: __________________________

INTERNATIONAL DEVELOPMENT ASSOCIATION

By

Authorized Representative

Name: __________________________
Title: __________________________
2.07. The Payment Currency is the Dollar.

ARTICLE III — PROJECT

3.01. The Recipient declares its commitment to the objective of the Project. To this end, the Recipient shall carry out the Project in accordance with the provisions of Article IV of the General Conditions.

3.02. Without limitation upon the provisions of Section 3.01 of this Agreement, and except as the Recipient and the Association shall otherwise agree, the Recipient shall ensure that the Project is carried out in accordance with the provisions of Schedule 2 to this Agreement.

ARTICLE IV — EFFECTIVENESS; TERMINATION

4.01. The Effectiveness Deadline is the date ninety (90) days after the date of this Agreement.

4.02. For purposes of Section 8.05 (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 date of this Agreement.

ARTICLE V — REPRESENTATIVE; ADDRESSES

5.01. The Recipient’s Representative is the Recipient’s minister responsible for finance.

5.02. The Recipient’s Address is:

   Ministry of Finance and Budget
   B.P. 61
   Antananarivo 101
   Madagascar

   Cable address: Facsimile:

   MFB (261) 20 22 34530
   Antananarivo

5.03. The Association’s Address is:

   International Development Association
   1818 H Street, N.W.
   Washington, D.C. 20433
   United States of America
SCHEDULE 1

Project Description

The objective of the Project is to preserve critical education, health and nutrition service delivery in targeted vulnerable areas in the Recipient’s territory.

The Project consists of the Original Project and the following additional activities in Component 3 of the Original Project:

Component 3. Preserving Critical Nutrition Services

(c) Support to the activities of the nutrition prevention and safety (Prévention et Sécurisation Nutritionnelle) operational unit of ONN, including the promotion of food security activities at the community and household levels (such as home gardens, short-cycle farming and agriculture, and food conservation and transformation) and reasonable operating costs of the nutrition prevention and safety operational unit of ONN (but excluding regular salaries of officials of the Recipient’s civil service).
SCHEDULE 2

Project Execution

Section I. Implementation Arrangements

A. Institutional Arrangements.

1. The institutional arrangements remain as described in Section I.A of the Original Financing Agreement.

2. No later than two (2) weeks after the Effective Date, the Recipient shall have amended the terms of reference of the Technical Steering Committee, the Project Coordination Cell, the Nutrition PIU and their respective members or staff as necessary to ensure that the scope of their services will include the additional activities described under Schedule 1 to this Agreement.

3. The Recipient shall ensure that the following key staff is available in the Nutrition PIU to work at least part time for the Project, as needed throughout the implementation of the Project: (a) a national director; (b) a national administrative and financial specialist; (c) a monitoring and evaluation specialist; (d) an accountant; (e) a procurement specialist; (f) an internal auditor; (g) five (5) community nutrition program managers; (h) five (5) regional coordinators; (i) five (5) regional administrative and financial specialists; (j) twenty (20) monitoring staff; (k) three (3) national nutritional security program specialists; and (l) five (5) regional nutritional security program specialists.

B. Other Project implementation arrangements

1. For the implementation of Component 3 of the Project, the provisions of Sections I.C (Anticorruption), I.D (Safeguards), I.E (Annual Work Plans and Budgets) and I.F (Manuals) of Schedule 2 to the Original Financing Agreement are incorporated by reference in this Agreement without change.

Section II. Project Monitoring, Reporting and Evaluation

1. For the implementation of Component 3 of the Project, the provisions of Sections II.A (Project Reports) and II.B (Financial Management, Financial Reports and Audits) of Schedule 2 to the Original Financing Agreement are incorporated by reference in this Agreement without change.

2. No later than three (3) months after the Effective Date, the Recipient shall have amended the terms of reference of the independent auditor referred to in Section II.B.4 of Schedule 2 to the Original Financing Agreement as necessary to ensure that the scope of their services will include the additional activities described under Schedule 1 to this Agreement.
Section III. **Procurement**

1. For the implementation of Component 3 of the Project, the provisions of Sections III (Procurement) of Schedule 2 to the Original Financing Agreement are incorporated by reference in this Agreement without change.

Section IV. **Withdrawal of the Proceeds of the Financing**

A. **General**

1. The Recipient may withdraw the proceeds of the Financing in accordance with the provisions of Article II of the General Conditions, this Section, and such additional instructions as the Association shall specify by notice to the Recipient (including the “World Bank Disbursement Guidelines for Projects” dated May 2006, as revised from time to time by the Association and as made applicable to this Agreement pursuant to such instructions), to finance Eligible Expenditures as set forth in the table in paragraph 2 below.

2. The following table specifies the categories of Eligible Expenditures that may be financed out of the proceeds of the Financing (“Category”), the allocations of the amounts of the Financing to each Category, and the percentage of expenditures to be financed for Eligible Expenditures in each Category:

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount of the Financing Allocated (expressed in SDR)</th>
<th>Percentage of Expenditures to be Financed (inclusive of Taxes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Minor Works, goods, consultants services, non-consulting services including Operating Costs and Training under Component 3 of the Project</td>
<td>6,500,000</td>
<td>100%</td>
</tr>
<tr>
<td>TOTAL AMOUNT</td>
<td>6,500,000</td>
<td></td>
</tr>
</tbody>
</table>
B. Withdrawal Conditions; Withdrawal Period

1. Notwithstanding the provisions of Part A of this Section, no withdrawal shall be made for payments made prior to the date of this Agreement, except that withdrawals up to an aggregate amount not to exceed SDR 1,300,000 equivalent may be made for payments made prior to this date but on or after December 1, 2013, for Eligible Expenditures.

2. The Closing Date is July 31, 2016.
### SCHEDULE 3

**Repayment Schedule**

<table>
<thead>
<tr>
<th>Date Payment Due</th>
<th>Principal Amount of the Credit repayable (expressed as a percentage)*</th>
</tr>
</thead>
<tbody>
<tr>
<td>On each April 15 and October 15:</td>
<td></td>
</tr>
<tr>
<td>commencing April 15, 2024 to and including October 15, 2033</td>
<td>1%</td>
</tr>
<tr>
<td>commencing April 15, 2034 to and including October 15, 2053</td>
<td>2%</td>
</tr>
</tbody>
</table>

* 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 3.03 (b) of the General Conditions.
APPENDIX

Definitions

1. “Category” means a category set forth in the table in Section IV of Schedule 2 to this Agreement.

2. “Component” means a component of the Project as described in Schedule 1 to this Agreement.


5. “Original Project” means the Project described in the Original Financing Agreement.

6. “Procurement Plan” means the Recipient’s procurement plan for the Project, dated January 14, 2014 and referred to in paragraph 1.18 of the Procurement Guidelines and paragraph 1.25 of the Consultant Guidelines, as the same shall be updated from time to time in accordance with the provisions of said paragraphs.

7. “Selected Regions” means, collectively, Androy, Atsimo Atsinanana, Vatovavy Fitovinany, Haute Matsiatra and Amoron’I Mania, as well as for the purpose of implementing Component 3, Vakinankaratra, Itasy, and the Districts of Betioky and Ampangan in the Atsimo Andrefana Region, and such other areas which may be proposed by the Recipient for the implementation of Project activities and which the Association has confirmed in writing is acceptable to the Association for the purpose.