December 20, 2016

Hon. Gervais Rakotoarimanana
Minister of Finance and Budget
Ministry of Finance and Budget
B.P. 61, Antananarivo 101
Republic of Madagascar

Honorable Minister,

Republic of Madagascar:
Emergency Support to Critical Education, Health and Nutrition Services Project
Additional Financing – Credit No. 5382-MG
First Restatement of the Disbursement Letter dated March 27, 2014
Additional Instructions: Disbursement

I refer to the Financing Agreement between the Republic of Madagascar (“Recipient”) and the International Development Association (the “World Bank”) for the above-referenced project (“the Agreement”), dated March 27, 2014. The Agreement provides that the World Bank may issue additional instructions regarding the withdrawal of the proceeds of financing Credit No. 5382-MG (“Financing”). This letter (“Disbursement Letter”), as revised from time to time, constitutes the additional instructions.

This Disbursement Letter is a First Restatement of the Disbursement Letter dated March 27, 2014 for the above referenced project to increase the Designated Account ceiling under Section II (vi) from USD 1,300,000 to USD 1,800,000. All other provisions and attachments of the Disbursement letter dated March 27, 2014 except as amended, shall remain in force and effect.

The attached World Bank Disbursement Guidelines for Projects, dated May 1, 2006, (“Disbursement Guidelines”) (Attachment 1), are an integral part of the Disbursement Letter. The manner in which the provisions in the Disbursement Guidelines apply to the Financing is specified below. Sections and subsections in parentheses below refer to the relevant sections and subsections in the Disbursement Guidelines and, unless otherwise defined in this letter, the capitalized terms used have the meanings ascribed to them in the Disbursement Guidelines.

I. Disbursement Arrangements

(i) Disbursement Methods (section 2). The following Disbursement Methods may be used under the Financing:

- Reimbursement
- Advance
- Direct Payment
- Special Commitment
(ii) Disbursement Deadline Date (subsection 3.7). The Disbursement Deadline Date is 4 months after the Closing Date specified in the Financing Agreement. Any changes to this date will be notified by the World Bank.

(iii) Disbursement Conditions (subsection 3.8). Please refer to the Disbursement Condition reflected in Schedule 2, Section IV B 1.

II. Withdrawal of Financing Proceeds

(i) Authorized Signatures (subsection 3.1).
Applications for this Financing will be signed by the official(s) authorized to sign Applications as indicated in your letter of May 22, 2015, as revised from time to time.

(ii) Applications (subsections 3.2 - 3.3). Please provide completed and signed (a) applications for withdrawal, together with supporting documents, and (b) applications for special commitments, together with a copy of the commercial bank letter of credit[,] to the address indicated below:

The World Bank,
Loan Department,
Delta Center, 13th Floor,
Menengai Road, Upper Hill,
Nairobi, Kenya.
Contact Telephone number: +254 20 2936 000.

(iii) Electronic Delivery (subsection 3.4) The World Bank may permit the Recipient to electronically deliver to the World Bank Applications (with supporting documents) through the World Bank’s Client Connection, web-based portal. The option to deliver Applications to the World Bank by electronic means may be effected if: (a) the Recipient has designated in writing, pursuant to the terms of subparagraph (i) of this Section, its officials who are authorized to sign and deliver Applications and to receive secure identification credentials (“SIDC”) from the World Bank for the purpose of delivering such Applications by electronic means; and (b) all such officials designated by the Recipient have registered as users of Client Connection. If the World Bank agrees, the World Bank will provide the Recipient with SIDC for the designated officials. Following which, the designated officials may deliver Applications electronically by completing Form 2380, which is accessible through Client Connection (https://clientconnection.worldbank.org). The Recipient may continue to exercise the option of preparing and delivering Applications in paper form. The World Bank reserves the right and may, in its sole discretion, temporarily or permanently disallow the electronic delivery of Applications by the Recipient.

(iv) Terms and Conditions of Use of SIDC to Process Applications. By designating officials to use SIDC and by choosing to deliver the Applications electronically, the Recipient confirms through the authorized signatory letter its agreement to: (a) abide by the Terms and Conditions of Use of Secure Identification Credentials in connection with Use of Electronic Means to Process Applications and Supporting Documentation ("Terms and Conditions of Use of Secure Identification Credentials") provided in Attachment 2 and (b) to cause such official to abide by those terms and conditions.
(v) Minimum Value of Applications (subsection 3.5). The Minimum Value of all Applications except for replenishment applications should be 20% of the advance in the Designated Account.

(vi) Advances (sections 5 and 6).

- **Type of Designated Account (subsection 5.3):** Segregated
- **Currency of Designated Account (subsection 5.4):** USD
- **Financial Institution at which the Designated Account Will Be Opened (subsection 5.5):** Bank of Africa
- **Ceiling (subsection 6.1):**
  - USD 1,800,000

III. Reporting on Use of Financing Proceeds

(i) **Supporting Documentation (section 4).** Supporting documentation should be provided with each application for withdrawal as set out below:

- **For requests for reimbursement and reporting for eligible expenditures paid from the Designated Account**
  - Records evidencing eligible expenditures (e.g., copies of receipts, supplier invoices) for payments against contracts requiring the Bank’s prior review as well as all contracts exceeding USD 500,000 for works, USD 200,000 for consulting firms and USD 100,000 for individual consultants
  - Statement of Expenditure in the form attached (Attachment 4) for all expenditures and
  - List of payments against contracts that are subject to the Bank’s prior review, in the form attached (Attachment 5)

- **For requests for Direct Payment (to be made only under exceptional basis):** records evidencing eligible expenditures, e.g., copies of receipts, supplier invoices and documentary evidence of delivery and the Recipient’s acceptance of contracted goods or services.

- **For requests for Special commitments**
  - **Letter of credit**
  - **Copy of the contract**

(ii) **Frequency of Reporting Eligible Expenditures Paid from the Designated Account (subsection 6.3):** Monthly
(iii) **Other Supporting Documentation Instructions**

Copies of the bank statement of the Designated Account and a reconciliation statement for the Designated Account should be submitted with each Application for withdrawal for replenishment of the Designated Account.

**IV. Other Important Information**


From the Client Connection website, you will be able to prepare and deliver Applications, monitor the near real-time status of the Financing, and retrieve related policy, financial, and procurement information.

If you have not already done so, the World Bank recommends that you register as a user of the Client Connection website (https://clientconnection.worldbank.org). From this website you will be able to prepare and deliver Applications, monitor the near real-time status of the Financing, and retrieve related policy, financial, and procurement information. All Recipient officials authorized to sign and deliver Applications by electronic means are required to register with Client Connection before electronic delivery can be effected. For more information about the website and registration arrangements, please contact the World Bank by email at <clientconnection@worldbank.org>.

If you have any queries in relation to the above, please contact Aissatou Diallo, Senior Finance Officer at WFAFD-AFR@worldbank.org using the above reference.

Yours sincerely,

INTERNATIONAL DEVELOPMENT ASSOCIATION

Mark R. Lundell
Country Director for Madagascar
Africa Region

**Attachments:** No additional attachments have been provided for this Restatement. Please refer to the attachments provided in the original Disbursement Letter dated March 27, 2014.