
CREDIT NUMBER 7998-MG

Financing Agreement

(Additional Financing for Madagascar Safety Nets and Resilience Project)

between

REPUBLIC OF MADAGASCAR

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

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FINANCING AGREEMENT

AGREEMENT dated as of the Signature Date between REPUBLIC OF MADAGASCAR (“Recipient”) and INTERNATIONAL DEVELOPMENT ASSOCIATION (“Association”) for the purpose of providing an additional financing for the Project as described in Schedule 1 to this Agreement. 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 the amount of fifty million USD (\$50,000,000), as such amount may be converted from time to time through a Currency Conversion (variously, “Credit” and “Financing”), to: (a) assist in financing the project described in Schedule 1 to this Agreement (“Project”); and (b) provide the Rapid Response Option (“RRO”).
- 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 March 1 and September 1 in each year.
- 2.05. The principal amount of the Credit shall be repaid in accordance with Section 3.05 of the General Conditions and the repayment schedule set forth in Schedule 3 to this Agreement.
- 2.06. The Payment Currency is Dollar.

ARTICLE III — PROJECT; CONTINGENT EMERGENCY RESPONSE PROJECT

- 3.01. The Recipient declares its commitment to the objectives of the Project and the Contingent Emergency Response Project (“CERP”). To this end, the Recipient shall: (a) carry out Part 3 of the Project through the Ministry of Population and

Solidarity (MPS), 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 and the Project Agreement; and (c) shall carry out, or cause to be carried out, the CERP in accordance with Article V of the General Conditions.

ARTICLE IV — EFFECTIVENESS; TERMINATION

- 4.01. The Additional Conditions of Effectiveness consist of the Subsidiary Agreement has been updated on behalf of the Recipient and FID in form and substance satisfactory to the Association to incorporate this additional Financing.
- 4.02. The Effectiveness Deadline is the date one hundred 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 (20) years after the Signature Date.

ARTICLE V — REPRESENTATIVE; ADDRESSES

- 5.01. The Recipient's Representative is its minister responsible for 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 MADAGASAR

By

Herinjatovo Aimé Ramiarison

Authorized Representative

Name: _____ Herinjatovo Aimé Ramiarison

Title: _____ Minister of Economy and Finances

Date: _____ 08-May-2026

INTERNATIONAL DEVELOPMENT ASSOCIATION

By

Atouseck

Authorized Representative

Name: _____ Atouseck

Title: _____ Country Manager

Date: _____ 08-May-2026

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 under the Original Project as modified to date, and the following *scaled up and additional* parts (*emphasis added*):

Part 1: Safety Nets and Resilience

1.1. Human Development Cash Transfer

Scaling up support for 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

Support for 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

Scaling up support for response to future crisis in Selected Disaster Situations or Selected Crisis Events through: (a) 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; (b) 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; (c) basic social-economic infrastructure rehabilitation and/or reconstruction in areas affected by natural disasters; and (d) provision of nutritional supplements.

1.4. Resilience, Economic Inclusion and Human Capital Accompanying Measures

Scaling up provision of 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

Scaling up support for 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

Strengthening the administration of safety net programs by supporting:

(1) MPS 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, and operationalizing the social registry with ongoing data collection; (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 MPS’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 (l) reconstruction and/or rehabilitation of MPS premises.

(2) MEF in: (a) building MEF's capacity to monitor implementation of Project activities; (b) Operating Costs, Training and capacity building; and (c) reconstruction and/or rehabilitation of MEF 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.** The institutional and other implementation arrangements described in Sections I.A, I.B, I.C, I.G and I.H of Schedule 2 to the Original Financing Agreement (as amended from time to time) are hereby incorporated by reference in this Section I, unless the context otherwise requires, and shall apply, *mutatis mutandis*, to this Agreement, and the Recipient hereby undertakes to comply with the provisions thereof to the same extent as if such provisions had been set out in full in this Section, subject, however, to the following qualifications: references to “Financing”, shall be construed as references to the “Credit”, provided for under this Agreement.
- B.** For greater clarity and the avoidance of doubt, in view of the incorporation of Sections I.A, I.B, I.C, I.G and I.H of Schedule 2 to the Original Financing Agreement (as amended from time to time) into this Agreement pursuant to the preceding paragraph, if the Original Financing Agreement (as amended from time to time) terminates prior to the termination of this Agreement, such termination shall have no effect for purposes of this Agreement, and the provisions of the Original Financing Agreement (as amended from time to time) (as amended from time to time) incorporated in this Agreement pursuant to the preceding paragraph shall continue in full force and effect between the Recipient and the Association for purposes of this Agreement following and notwithstanding such termination of said Original Financing Agreement.
- C. 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) No later than two (2) month after the Effective Date, the Operational Manuals for Grant No. 7263-MG -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.

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. In case of any inconsistencies between the ESCP and the provisions of this Agreement, the provisions of this Agreement shall prevail.
- 4. 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.
- 5. 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.
- 6. 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. Contingency Emergency Response Operations Manual

In order to ensure the effective implementation of Part 4 of the Project, the Recipient shall take the following measures:

- 1. The Recipient shall:
 - (a) prepare and furnish to the Association for its review and approval, an operations manual which shall set forth detailed implementation arrangements for the CERC, including: (i) designation of terms of reference for, and resources to be allocated to the entity to be

responsible for coordinating and implementing the CERC (“Coordinating Authority”); (ii) specific activities which may be included in the CERC, Eligible Expenditures required thereunder (“Emergency Expenditures”), and any selection procedures for such inclusion; (iii) financial management arrangements for the CERC; (iv) procurement methods and procedures for Emergency Expenditures to be financed under the CERC; (v) documentation required for withdrawals of Emergency Expenditures; (vi) environmental and social safeguard management frameworks for the CERC, consistent with the Association’s policies on the matter; and (vii) any other arrangements necessary to ensure effective coordination and implementation of the CERC;

- (b) afford the Association a reasonable opportunity to review said proposed operations manual;
 - (c) promptly adopt such operations manual for the CERC as shall have been approved by the Association (“CERC Operations Manual”);
 - (d) ensure that the CERC is carried out in accordance with the CERC Operations Manual; in the event of any inconsistency between the provisions of the CERC Operations Manual and this Agreement, the provisions of this Agreement shall prevail; and
 - (e) not amend, suspend, abrogate, repeal or waive any provision of the CERC Operations Manual without prior approval by the Association.
2. The Recipient shall, throughout the implementation of the CERC, maintain the Coordinating Authority, with adequate staff and resources satisfactory to the Association.
3. The Recipient shall not undertake any activities under the CERC until the following conditions have been met:
- (a) the Recipient has determined that an Eligible Crisis or Emergency has occurred, has furnished to the Association a request to include said activities in the CERC in order to respond to said Eligible Crisis or Emergency, and the Association has agreed with such determination, accepted said request and notified the Recipient thereof; and
 - (b) the Recipient has prepared and disclosed all safeguards instruments required for said activities, in accordance with the CERC Operations Manual, the Association has approved all such instruments, and the Recipient has implemented any actions which are required to be

taken under said instruments.

Section II. Project Monitoring, Reporting and Evaluation

1. The Recipient shall furnish to the Association each Project Report not later than forty-five (45) days after the end of each calendar quarter, covering the calendar quarter.
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, through the PIE, 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, the Recipient may withdraw the proceeds of the Financing to finance Eligible Expenditures for the Project or the CERP in accordance with the respective Disbursement and Financial Information Letter; all 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 USD)	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	20,900,000	Percentage to be determined in the annual workplan and budget (Original Financing and this Financing)
(b) Cash Transfers under Part 1.3 (i) of the Project	2,300,000	
(c) Cash-for-work Transfers and goods, works, non-	4,300,000	

Category	Amount of the Credit Allocated (expressed in USD)	Percentage of Expenditures to be Financed (Inclusive of Taxes)
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	13,900,000	
(2) Goods, works, non-consulting services, consulting services, Operating Costs, and Training under Part 2 of the Project	3,600,000	Percentage to be determined in the annual workplan and budget (Original Financing and this Financing)
(3) Goods, works, non-consulting services, consulting services, Operating Costs, and Training under Part 3 of the Project	5,000,000	100%
(4) Emergency Expenditures under Part 4 of the Project	0	100%
(5) Eligible Expenditures for the CERP	0	100%
TOTAL AMOUNT	50,000,000	

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) for Emergency Expenditures under Category (4), unless and until all of the following conditions have been met in respect of said expenditures: (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); (ii) the Association has agreed with such determination, accepted said request and notified the Recipient thereof; and (iii) the Recipient has adopted the CERC Manual and Emergency Action Plan, in form and substance acceptable to the Association; or
 - (c) for Eligible Expenditures under Category (5), until and unless the Association has notified the Recipient that the conditions set forth in Section 5.15 (a) of the General Conditions have been fulfilled.
2. The Closing Date is December 31, 2027.

SCHEDULE 3

Repayment Schedule

The Recipient shall repay the principal amount of the Credit in accordance with the table set forth below.

Date Payment Due	Principal Amount of the Credit repayable (expressed as a percentage)*
On each _March 1 and September 1: commencing March 1, 2037 to and including March 1, 2065	1.72%
On September 1, 2065	1.96%

* 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

Section I. Definitions

The Capitalized terms defined in Section I of the Appendix to the Original Financing Agreement, as incorporated by reference in Section I.A and I.B of Schedule 2 to this Agreement, shall have the meanings set forth therein, and the following terms shall have the following meanings.

1. “Anti-Corruption Guidelines” means, for purposes of paragraph 5 (a) 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.
2. “Category” means a category set forth in the table in Section III.A of Schedule 2 to this Agreement.
3. “Emergency Expenditure” means any of the Eligible Expenditures, including goods, works, non-consulting services, consultants’ services, Training, and Operating Costs, set forth in CERC Manual in accordance with the provisions of Section I.E of Schedule 2 to this Agreement and required for the activities included in the CERC Part of the Project.
4. “Environmental and Social Commitment Plan” or “ESCP” means the environmental and social commitment plan for the Project, dated February 6, 2026, 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.
5. “Environmental and Social Standards” or “ESSs” means, for purposes of paragraph 56 of the Appendix to the General Conditions, the standards referenced in said paragraph, effective on October 1, 2018, as published by the Association.
6. “General Conditions” means the “International Development Association General Conditions for IDA Financing, Investment Project Financing”, dated December 14, 2018 (Last revised on July 1, 2025)
7. “Procurement Regulations” means, for purposes of paragraph 92 (a) of the Appendix to the General Conditions, the “World Bank Procurement Regulations for IPF Borrowers”, dated February 2025.

8. "MPS" means the Recipient's ministry of population and solidarity, as successor to MPSPPW.
9. "Original Financing" means the financing provided under the Original Financing Agreement.
10. "Original Financing Agreement" means the Financing Agreement No. 7263-MG between the Recipient and the Association, dated January 16, 2023, as may be amended from time to time.
11. "Original Project" means the project described in Schedule 1 to the Original Financing Agreement, as amended from time to time.
12. "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.
13. "Rapid Response Option" or "RRO" means the use of all or any portion of the Credit that has been requested by the Recipient and accepted by the Association in accordance with the terms of this Agreement to: (a) assist in financing the CERP; and (b) provide complementary financing in support of the program defined in the Cat DDO Legal Agreement.
14. "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.

