
PBA CREDIT (A) No. 8089-MG
SML CREDIT (B) No. 8090-MG

Financing Agreement

(The Integrated Urban Development and Resilience Project for Jobs)

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"). 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 their 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 in the following amounts to: (a) assist in financing the project described in Schedule 1 to this Agreement ("Project") and (b) provide the Rapid Response Option ("RRO"):
 - (a) a credit, which is deemed as Concessional Financing for purposes of the General Conditions, in the amount of one hundred fifty million Dollars (\$150,000,000), as such amount may be converted from time to time through a Currency Conversion ("Credit A"); and
 - (b) a credit, which is deemed as Concessional Financing for purposes of the General Conditions, in the amount of seventy five million Dollars (\$75,000,000), as such amount may be converted from time to time through a Currency Conversion ("Credit B", and together with Credit A, variously referred to as "Credits" or "Financing").
- 2.02. The Maximum Commitment Charge Rate is one-half of one percent (1/2 of 1%) per annum on the Unwithdrawn Financing Balance.
- 2.03. The Payment Dates are February 15 and August 15 each year.
- 2.04. The principal amount of the Credit shall be repaid in accordance with the repayment schedule set forth in Schedule 2 to this Agreement.



- 2.05. The Payment Currency is the Dollar.
- 2.06. Without limitation upon the provisions of Section 5.05 of the General Conditions, the Recipient shall promptly furnish to the Association such information relating to the provisions of this Article II as the Association may, from time to time, reasonably request.

ARTICLE III — PROJECT; CONTINGENT EMERGENCY RESPONSE PROJECT

- 3.01. The Recipient declares its commitment to the objective of the Project and the Contingent Emergency Response Project ("CERP"). To this end, the Recipient shall: (a) carry out the Project in accordance with the provisions of Article V of the General Conditions and, Schedule 2 to this Agreement; and (b) 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 Effectiveness Deadline is the date one hundred eighty (180) days after the Signature Date.
- 4.02. 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 in charge of economy and finance.
- 5.02. For purposes of Section 11.01 of the General Conditions:
 - (a) the Recipient's address is:
Ministry of Economy and Finance
PO Box 61
Antananarivo 101
Republic of Madagascar; and



- (b) the Recipient's Electronic Address is:

Email: Tresorddp.mg@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

M. Herinjatovo Aimé Ramiarison

Authorized Representative

Name: M. Herinjatovo Aimé Ramiarison

Title: Minister of Economy and Finances

Date: 04-Aug-2026

INTERNATIONAL DEVELOPMENT ASSOCIATION

By

Atouseck

Authorized Representative

Name: Atouseck

Title: Country Manager

Date: 03-Aug-2026

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SCHEDULE 1

Project Description

The objective of the Project is to strengthen the climate resilience of urban communities, improve land administration, and support jobs in selected cities.

The Project consists of the following parts:

Part 1. Foundational Urban Infrastructure and Climate Resilience

1.1. *Public Infrastructure for Flood Reduction in Greater Antananarivo (GA)*

Strengthening urban resilience in the GA areas through public infrastructure investments, including:

- (a) (i) rehabilitating and upgrading drainage and flood infrastructure including *inter alia*, drainage canals, retention basins, pumping stations, and river dikes along selected rivers as further detailed in the Project Operations Manual (POM) prioritized in accordance with the Drainage Master Plan (DMP); and (ii) providing technical assistance and capacity building to the Authority for Flood Protection in the Plain of Antananarivo (APIPA) and selected municipalities for drainage system operation and maintenance to strengthen their institutional, technical, financial, and operational capacity;
- (b) delivering urban upgrading interventions in selected neighborhoods, as further detailed in the POM, to improve neighborhood living conditions and integrate drainage infrastructure into the urban fabric, including the transformation of public spaces in designated emerging urban economic zones;
- (c) (i) optimizing solid waste management along drainage corridors and selected areas through *inter alia*, improved collection, sorting, and transfer infrastructure, better landfill operations, and providing technical assistance and capacity building to strengthen skills and enhance private sector participation; (ii) carrying out studies for a new central sanitary landfill serving Antananarivo's communes; and (iii) providing technical assistance on institutional reforms and operation and maintenance;
- (d) carrying out studies and designs for resilient and transformative urban development and infrastructure; and
- (e) financing a set of activities pertaining to land expenditures, including:
 - (i) compensation provided to Affected Persons for land acquisition related

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to implementation of a resettlement instrument or compensation and other assistance paid in cash for involuntary resettlement; (ii) registration of the Affected Persons, impacted property and assets; and (iii) schedule of administrative costs related to the Resettlement Action Plans (RAPs) implementation.

1.2. *Resilient Housing Recovery and public infrastructure rehabilitation in Greater Toamasina (GT)*

Supporting resilient housing recovery in urban and rural areas of GT affected by cyclones through a risk-informed, multimodal housing reconstruction support including owner-driven housing recovery model, and other models to be defined based on a beneficiary assessment, further detailed in the Housing Operating Manual (HOM), including:

- (a) providing of Housing Reconstruction support to affected householders in GT through *inter alia*: (i) Packages to cyclone affected Beneficiaries for the owner-driven reconstruction in selected districts through payment of Housing Reconstruction Packages to eligible Beneficiaries in tranches, linked to verified stages of reconstruction progress and compliance with the Recipient's approved Build Back Better minimum reconstruction guidelines; (ii) facilitation of land tenure documentation and bank account opening for eligible Beneficiaries, including members of female-headed households and other vulnerable groups; and (iii) exclusion from eligibility of housing units located in high-risk zones with recurrent hazards; and (iv) financing housing reconstruction support through alternative housing reconstruction modalities to be implemented, based on a beneficiary assessment, feasibility and effectiveness as further detailed in the HOM;
- (b) establishing Neighborhood Housing Reconstruction Centers (NHRCs) to:
 - (i) provide technical assistance and construction supervision to ensure compliance with minimum resilience and with low Green House Gas (GHG) emission requirements and Environmental and Social Standards (ESS); (ii) manage beneficiary identification, communication, and grievance handling; (iii) facilitate access to quality construction materials; (iv) provide technical assistance to enhance the skills of local workers in resilient construction techniques and ESS compliance, with a focus on Recipient's approved Build Back Better (BBB) minimum reconstruction guidelines; and (v) create and support community committees to assist communal reconstruction and ESS compliance, damage assessments, data collection, monitoring and evaluation system tracking construction progress, supervision clearances, and grant tranches;

- (c) strengthening the institutional capacity of housing departments under the Ministry of Land Planning and Land Services (MATSF) for risk-informed urban planning and development of a scalable national resilient housing strategy;
- (d) Supporting climate-resilient rehabilitation of public infrastructure and building through financing the rehabilitation and upgrading of prioritized socio-economic infrastructure including, but not limited to, urban community infrastructure, health and education facilities and the University of Toamasina, in flood-affected areas of GT, through the application of climate-resilient construction standards, to restore service continuity and reduce vulnerability to climate and disaster shocks; and
- (e) Supporting flood resilience enhancement in GT through rehabilitation and construction of drainage canals and selected flood mitigation measures in prioritized flood-affected areas of GT, including, where feasible, and Nature-Based Solutions, to reduce exposure to flood risks.

1.3. *Strengthening Mechanisms and Capacity for Disaster Preparedness and Response*

Strengthening disaster preparedness and response mechanisms, including:

- (a) carrying out the design and construction of multipurpose emergency shelters in targeted municipalities, designed to climate-resilient standards with gender- and disability-sensitive water and sanitation facilities and backup power; and
- (b) harmonizing and modernizing the Early Warning System (EWS) for Madagascar, including carrying out feasibility studies and pilots for location-based messaging (LBM) and Cell Broadcast (CB) technology.

Part 2. Improving Land Administration and Urban Governance for Job Creation

2.1. *Strengthen Land Administration Capacity*

Improving land administration to catalyze private investment and long-term job creation, including:

- (a) providing technical assistance to support land governance reforms to streamline land regularization, transfers, digital services, and land acquisition for public infrastructure;
- (b) rolling out systematic land regularization alongside targeted urban and peri-urban areas using a participatory, community-based approach

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that identifies land rights and boundaries, protects rights-of-way for municipal infrastructure, and ensures recognition of women's land rights;

- (c) establishing a national Land Information System (LIS), which integrates property data in GA from cadastral, land titles, land certificates, other types of tenure documentation, registry and local land offices, including the development of a Land Information Portal, data analytics, and an Application Programming Interface (API) for interoperability with other government offices as well as for e-services and e-payments; and
- (d) upgrading the geodetic network, Information and Communication Technologies (ICT) infrastructure, and institutional capacity of land offices in GA, including through office renovations, operational manuals, data-sharing agreements, and training.

2.2. *Property Tax, Urban Planning, and Municipal Governance*

- (a) Strengthening urban planning and management capacity at local and central levels, including updating land use plans in GT and GA;
- (b) Improving municipal asset management in Antananarivo by linking building permits, land use plans, flood data, and property tax data with LIS land data to support evidence-based decision-making and e-services; and
- (c) Providing technical assistance to support property tax reform to broaden the tax base under the Property Tax on Building Property (IFPB), and in Antananarivo, improve billing and collection and manage revenue for municipal infrastructure operations and maintenance.

Part 3: Project Management and Coordination

Provision of support for Project management and implementation of environmental and social instruments and measures (including *inter alia*, the stakeholder engagement plan, the grievance management mechanism, the GBV/SH action plan), and providing stakeholder engagement and capacity building, institutional capacity building and the provision of a pool of technical experts to support implementing agencies; technical assistance for monitoring and evaluation, Project supervision and implementation assistance.

Part 4: Contingent Emergency Response

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

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SCHEDULE 2

Project Execution

Section I. Implementation Arrangements

A. Institutional Arrangements.

1. The Recipient shall vest overall responsibility for Project implementation in the MATSF.

2. Project Steering Committees

(i) *GA PSC*

(a) The Recipient shall establish and at all times during Project implementation, maintain a GA Project Steering Committee ("GA PSC") with composition and mandate acceptable to the Association.

(b) The GA PSC shall be chaired by MATSF and include, *inter alia*, representatives from the National Office for Risk and Disaster Management (BNGRC), the Ministry of Water, Sanitation and Hygiene (MEAH), the Ministry of Environment and Sustainable Development (MEDD), the Ministry of Interior and Decentralization (MID), the Ministry in Charge of Employment, the Ministry in charge of Economy and Finance, GA municipalities, and other relevant stakeholders.

(c) The GA PSC shall be responsible for providing strategic guidance, oversight of respective Parts of the Project implemented in GA for Project implementation, performance monitoring, cross-sectoral coordination and consistency with sector policy and strategies, the approval of Annual Work Plans and Budgets, procurement plans, annual audit reports and progress reports of the above mentioned Parts of the Project.

(d) The GA PSC shall meet twice in a given year.

(ii) *GT PSC*

(a) The Recipient shall establish and at all times during Project implementation, maintain a GT Project Steering Committee

("GT PSC") with composition and mandate acceptable to the Association.

- (b) The GT PSC shall be chaired by Toamasina Reconstruction Coordination Unit (TRCU) and co-chaired by MATSF and include, *inter alia*, representatives from the TRCU, DGAT and the Housing Department, and Directorate General of Land Services (DGSF) under MATSF, regional representatives from the Ministry of Interior and Decentralization (MID), the MEAH, BNGRC, the Ministry in charge of Employment, the Ministry in charge of Economy and Finance, and GT municipalities.
- (c) The GT PSC shall be responsible for providing strategic guidance, oversight of respective Parts of the Project implemented in GT for Project implementation, performance monitoring, cross-sectoral coordination and consistency with sector policy and strategies in GT areas, the approval of Annual Work Plans and Budgets, procurement plans, annual audit reports and progress reports of the above mentioned Parts of the Project.
- (d) The GT PSC shall meet twice in a given year.

3. Project Management Unit

- (a) The Recipient shall maintain, and at all times during Project implementation, maintain the Project Management Unit ("PMU") with composition and mandate acceptable to the Association.
- (b) The PMU shall, at all times during Project implementation, retain the following staff, *inter alia*, each with terms of reference, qualifications and experience satisfactory to the Association: (i) a coordinator; (ii) an accountant; (iii) a financial management specialist; (iv) a procurement specialist; (v) an environmental safeguards specialist; (vi) a social safeguards specialist; (vii) a land specialist, (viii) an infrastructure specialist; and (ix) a monitoring and evaluation specialist, and other such staff as may be necessary for Project implementation.
- (c) The PMU shall be responsible for the following activities *inter alia*: (i) project implementation and day to day management of project activities including coordination, fiduciary management, procurement, environmental and social impact mitigation, and the preparation of Interim Financial Reports (IFRs) and project reports; (ii) managing technical inputs from line ministries, municipalities and relevant technical agencies;

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(iii) preparation of consolidated technical and financial project reports;
and (iv) ensuring dissemination of lessons learned.

4. Toamasina Management Unit (TMU)

- (a) The Recipient shall, no later than three (3) months after the Effective Date, establish the TMU in Toamasina, and thereafter maintain it throughout the period of Project implementation, with organization, staffing, and terms of reference satisfactory to the Association.
- (b) Without limitation to the foregoing, the TMU shall be responsible for the coordination, implementation, and oversight of reconstruction activities under Subcomponent 1.2. Fiduciary and environmental and social responsibilities for activities under Subcomponent 1.2 shall be managed by the PMU until: (a) the TMU has been established; and (b) the Association has determined, to its satisfaction, that the TMU has demonstrated sufficient capacity to assume fiduciary and procurement responsibilities; after which such responsibilities shall be transferred to the TMU in accordance with the arrangements set forth in the Project Implementation Manual.
- (c) The TMU shall include, *inter alia*, a local Coordinator, a procurement specialist, a financial management specialist, a land specialist, an environmental and social management specialist, a GBV specialist, and a monitoring and evaluation specialist, and communication specialist, all based in Toamasina.

B. POM

- 1. The Recipient shall, no later than one (1) month after the Effective Date, prepare and adopt a Project Operations Manual ("POM"), in form and substance acceptable to the Association.
- 2. The POM shall contain detailed arrangements, procedures and mechanisms for:
 - (a) institutional coordination and Project implementation;
 - (b) the different roles and responsibilities in the implementation of the Project, including the various mechanisms for ensuring close coordination and collaboration between various Project stakeholders;
 - (c) Project budgeting, accounting, disbursement and financial management;
 - (d) flow of funds, disbursement procedures and banking arrangements, including with regard to the payment of Resettlement Costs;
 - (e) capacity building activities;
 - (f) financial, procurement and accounting procedures;
 - (g) environmental and social risk management measures, including land acquisition and resettlement management procedure;
 - (h) monitoring, evaluation, reporting and communication, including with regard to the payment of Resettlement Costs;
 - (i) Personal Data collection and processing in accordance

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with applicable national law and good international practice; (j) the Annual Work Plans and Budget for the first year of Project implementation; (k) corruption and fraud mitigation measures; (l) a grievance redress mechanism; and (m) other such administrative, financial, technical and organizational arrangements and procedures as shall be required for purposes of implementing the Project.

3. Except as the Association shall otherwise agree, the Recipient shall not assign, amend, abrogate the POM, or any provision thereof.
4. In the event of any conflict between the provisions of the POM and those of this Agreement, the provisions of this Agreement shall prevail.

C. Housing Operational Manual (HOM)

1. The Recipient shall prepare and adopt a Housing Operational Manual, in form and substance satisfactory to the Association, setting forth the detailed arrangements and procedures for the implementation of housing reconstruction activities under Part 1.2 (a) of the Project, including: (a) eligibility criteria and selection procedures for Beneficiary Households informed by a Beneficiary Assessment, including exclusion of housing units located in high-risk zones unless protected by flood mitigation measures acceptable to the Association; (b) the owner-driven housing recovery model and any alternative housing reconstruction modalities identified through the beneficiary assessment; (c) the arrangements for disbursement of Housing Reconstruction Grants to Beneficiary Households in tranches, linked to verified stages of reconstruction progress and compliance with the government-approved Build Back Better minimum reconstruction standards; (d) the procedures for verification of reconstruction progress and certification of compliance prior to the release of each tranche; (e) the arrangements for provision of land tenure documentation to eligible Beneficiary Households where ownership is confirmed through community validation and/or local authorities; (f) financial management, flow of funds, accounting, and reporting procedures for Housing Reconstruction Grants; and (g) environmental and social management arrangements applicable to housing reconstruction activities, consistent with the Environmental and Social Commitment Plan (ESCP).
2. The Recipient shall carry out housing reconstruction activities under Part 1.2 of the Project in accordance with the Housing Operational Manual, and shall not amend, suspend, abrogate, repeal, or waive any provision thereof without the prior written agreement of the Association.
3. In the event of any conflict between the provisions of the Housing Operational Manual and those of this Agreement, the provisions of this Agreement shall prevail.



4. No Housing Reconstruction Package shall be released to a Beneficiary Household under Part 1.2 of the Project unless: (a) the Housing Operational Manual has been adopted in form and substance satisfactory to the Association; (b) the Beneficiary Household has been determined to meet the eligibility criteria set forth in the Housing Operational Manual; and (c) a social and environmental screening has been carried out for the relevant housing unit in accordance with the procedures set forth in the Housing Operational Manual and the ESCP.
5. Prior to the release of the second and subsequent tranches of a Housing Reconstruction Package to a Beneficiary Household, the Recipient shall ensure that the verification procedures set forth in the Housing Operational Manual have been carried out and that reconstruction progress has been certified as satisfactory in accordance with the Build Back Better minimum reconstruction standards set forth therein.

D. Annual Work Plans and Budgets

1. Each year the Recipient shall prepare a draft annual work plan and budget for the Project (including Training and Operating Costs) for each subsequent year of Project implementation, of such scope and detail as the Association shall have reasonably requested.
2. The Recipient shall furnish to the Association, not later than November 30 of each year, the annual work plans and budgets approved by the Project Steering Committee for the Association's review and approval; except for the annual work plan and budget for the Project for the first year of Project implementation, 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 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 methods and criteria 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.

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E. Contractual Arrangements

1. The Recipient shall, for the purposes of carrying out of Parts 1.1, 1.2 and 3 of the Project: (a) enter into a Delegated Contract Management Agreement ("Management Agreement") with the Service Providers, whose form and substance shall be satisfactory to the Association; (b) ensure that all Project activities to be undertaken by the Service Provider under the Management Agreement shall be carried out with due diligence and efficiency and in accordance with sound technical, financial, procurement and managerial standards and practices acceptable to the Association; and (c) exercise its rights and carry out its obligations under the Management Agreement in such a manner as to protect the interests of the Recipient and the Association and to accomplish the purposes of the Financing.
2. The Management Agreement shall include the following provisions:
 - (a) The obligation of the Service Provider to:
 - (i) carry out its activities under the Management Agreement with due diligence and efficiency and in accordance with sound technical, economic, financial, managerial, environmental and social standards and practices satisfactory to the Association;
 - (ii) carry out its obligations under the Management Agreement in such a manner as to protect the interests of the Recipient and the Association and to accomplish the purposes of the Financing;
 - (iii) maintain policies and procedures, which are adequate to enable it to monitor and evaluate the progress of the Activities carried out under the Management Agreement; and
 - (iv) 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 Activities carried out under the Management Agreement.
 - (b) The right of the Recipient and the Association to:
 - (i) request an audit of the financial statements of the Activities carried out under the Management Agreement by independent auditors acceptable to the Association and in accordance with consistently applied auditing standards acceptable to the

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Association and the prompt transmission of the financial statements as so audited to the Recipient and the Association;

- (ii) inspect the Activities carried out under the Management Agreement, and any relevant records and documents; and
 - (iii) obtain all such information as the Recipient or the Association shall reasonably request relating to the foregoing to be prepared and furnished to the Recipient and the Association.
- 3. Except as the Association shall otherwise agree, the Recipient shall not assign, amend, abrogate or waive the Management Agreement or any provision thereof, or permit to be assigned, amended, abrogated or waived the aforementioned or any provision thereof.
- 4. In case of any conflict between the terms of the Management Agreement and those of this Agreement, the terms of this Agreement shall prevail.

F. Reconstruction Support

- 1. For purposes of carrying out Part I of the Project, the Recipient shall determine before the date on which the Recipient first proposes to release a Reconstruction Support Package, the list of Participating Household Beneficiaries, which shall comprise those eligible households: (a) in the Targeted Areas; (b) whose houses meet the guidelines, selection and prioritization criteria set out in the HOM for financing of reconstruction out of the proceeds of the Credit; and (c) who have entered into a Reconstruction Agreement. The Recipient shall at all times maintain, and shall provide to the Association, at its request, the list of Participating Household Beneficiaries.
- 2. Upon the determination of the household beneficiaries eligible to participate in the Project, the Recipient shall:
 - (a) publicly disclose the list of such eligible household beneficiaries at the Project relevant sites; and
 - (b) before providing a Reconstruction Support Package ("Package") to a Participating Household Beneficiary, enter into an Agreement with such Participating Household Beneficiary, under terms and conditions set forth in the HOM, which Participation Agreement shall provide:
 - (i) the Participating Household Beneficiary's voluntary participation in the Project and commitment to use the resources of the Package for the reconstruction, following the HOM;



- (ii) the amount of the Package to be paid on a non-reimbursable basis to such Participating Household Beneficiary, including the number and amounts of each individual tranche thereof;
 - (iii) the conditions for release of the Package to such Participating Household Beneficiary in multiple tranches upon the Participating Household Beneficiary's signing of the Agreement (for the first tranche) and the satisfactory achievement of pre-agreed milestones in the construction work (for subsequent tranches), as further detailed in the HOM
 - (iv) the obligation and agreement of the Participating Household Beneficiary to accept random and/or unannounced physical inspection by the Recipient and/or the Association, in relation to the construction work; and
 - (v) the Recipient's right to suspend or terminate the right of the Participating Household Beneficiary to use the proceeds of the Package, upon any failure of the Participating Household Beneficiary to perform its obligations under the Participation Agreement, or upon notice served by the Association to the Recipient that it intends to exercise any of its remedies under Section 6.02, 6.03 or 6.06 of the General Conditions.
- 3. The Recipient shall release the first tranche of each Participating Household Beneficiary's Package upon the Participating Household Beneficiary's signing of the Agreement
- 4. Prior to the release to a Participating Household Beneficiary of the second and subsequent tranches of such Participating Household Beneficiary's Housing Package, the Recipient shall ensure that:
 - (a) the verification procedures related to the Participating Household Beneficiary's compliance with HOM is adhered to, and satisfactory achievement of the pre-agreed milestones in the construction work thereof; and
 - (b) Package paid to Participating Household Beneficiaries whose reconstruction are deemed incomplete and/or of substandard quality, shall be deemed ineligible for financing under the Project, except in the event of force majeure as determined by the Association. Any amounts advanced for the financing for such ineligible Package shall be promptly reimbursed to the Association upon the Association's request.



G. Environmental and Social Standards

1. The Recipient shall ensure that the Project is carried out in accordance with the Environmental and Social Standards (ESS), including *inter alia*, land acquisition, right-of-way releases, involuntary resettlement actions, strictly comply with applicable provisions, procedures, methodologies as defined in Resettlement Plans or Livelihood Restoration Plans, in accordance with Environmental and Social Standard 5 (ESS5) as defined in ESCP, in a manner acceptable to the Association.
2. Without limitation upon paragraph 1 above, the Recipient shall 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 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 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 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 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.

H. 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;

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- (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 the 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.

Section II. Project Monitoring, Reporting and Evaluation

The Recipient shall furnish to the Association each Project Report no later than forty-five days after the end of each calendar semester, covering the calendar semester.

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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: (a) to finance Eligible Expenditures for the Project or the CERP in accordance with the 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 Financing (Credit A) Allocated	Amount of the Financing (Credit B) Allocated	Percentage of Expenditures to be Financed (inclusive of Taxes)
(1) Goods, works, non-consulting services, consulting services, Training, and Operating Cost for the Project except Part 1.2 (a)	\$ 141,300,000	\$ 10,000,000	100%
(2) Goods, works, non-consulting services, consulting services under Part 1.2 (a)	\$ 0	\$ 55,000,000	
(3) Reconstruction Housing Packages under Part 1.2 (a) of the Project	\$ 0	\$ 10,000,000	100%
(4) Eligible Expenditures for the CERP	\$ 0	\$ 0	100%
(5) Emergency Expenditures for the CERP	\$ 0	\$ 0	
(6) (a) Cash Compensation for Resettlement under Part 1.1 (e) (b) Cash Compensation for Resettlement under Credit No. 6245-MG and Credit Number 6818-MG	(a) \$ 7,300,000 (b) \$ 1,400 000	 \$ 0	
TOTAL AMOUNT	\$ 150,000,000	\$ 75,000,000	

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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 (2) and (3) unless:
 - (i) the Housing Operational Manual has been adopted by the Recipient in form and substance satisfactory to the Association; and
 - (ii) the Recipient's Build Back Better minimum reconstruction guidelines have been approved by the Recipient and found acceptable to the Association.
 - (c) for Eligible Expenditures under Category (3), 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;
 - (d) for Emergency Expenditures under Category (5), 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 (5); 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.
 - (e) for payment or land acquisition and/or Resettlement Cash Compensation under Category 6(a) until the Recipient has: (i) adopted the Project Operation Manual, in form and substance acceptable to the Association; (ii) prepared, publicly consulted upon, finalized, adopted and publicly disclosed in-country and in the Association's website, in form and substance satisfactory to the Association the relevant Resettlement Action Plan(s) for the Project; and (iii) furnished to the Association evidence satisfactory to it that it has opened an escrow account on terms and conditions satisfactory to the Association, for the purpose of depositing resettlement compensation funds in respect of Project-affected persons for whom payment could not be completed due to exceptional circumstances;

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2. The Closing Date is June 30, 2032;
3.
 - (a) Notwithstanding the provisions of Part B.1 of this Section, and without limitation to the provisions set forth in Section 8.03 of the General Conditions, the Association may cancel all or a portion of the Unwithdrawn Financing Balance if at any time the Association has determined and notified the Recipient that there is Lack of Progress on Project Implementation.
 - (b) For purposes of paragraph (a) above, the term "Lack of Progress on Project Implementation" means no withdrawals of Financing amounts requested by the Recipient from the Financing Account for twelve (12) or more consecutive months, following the Effective Date, and that the Project is not making progress in the achievement of the Project objective(s) as monitored by the indicators referred to in Section 5.08 of the General Conditions, without the Recipient having taken timely and appropriate action satisfactory to the Association to rectify such issues.

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SCHEDULE 3

Repayment Schedule

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

For CREDIT A

Date Payment Due	Principal Amount of the Credit repayable (expressed as a percentage)*
On each February 15 and August 15:	
commencing August 15, 2037, to and including August 15, 2065	1.72%
Commencing February 15, 2066	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.

For CREDIT B

Date Payment Due	Principal Amount of the Credit repayable (expressed as a percentage)*
On each February 15 and August 15:	
commencing August 15, 2032, to and including August 15, 2037	8.33%
on February 15, 2038	8.37%

* 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.

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APPENDIX

Section I. Definitions

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. "APIPA" means "the Authority for Flood Protection in the Plain of Antananarivo" or *Autorité pour la Protection contre les Inondations de la Plaine d'Antananarivo*, and is the authority responsible for flood protection in the Plain of Antananarivo.
3. "Beneficiary Assessment" means a structured process carried out by the Recipient, under terms acceptable to the Association, to identify, verify, and profile eligible beneficiaries for housing reconstruction support, assess their level of damage, needs, and eligibility criteria, and determine appropriate reconstruction modalities, including through community validation, field verification, and application of agreed technical and social standards.
4. "Beneficiary Household" means a household determined to be eligible to receive a Housing Reconstruction Package under the Project, in accordance with the criteria set forth in the Housing Operational Manual.
5. "Build Back Better minimum reconstruction guidelines" means standards and technical requirements established by the Recipient to ensure that housing and infrastructure reconstruction after disasters is carried out in a safer, more resilient, and risk-informed manner, including minimum specifications for structural safety, flood and cyclone resistance, site selection, and environmental and social compliance, to reduce future vulnerability and improve long-term recovery outcomes.
6. "BNGRC" means Bureau National de Gestion des Risques et des Catastrophes, the Recipient's national disaster risk management agency.
7. "Category" means a category set forth in the table in Section III.A of Schedule 2 to this Agreement.
8. "Drainage Master Plan" or "DMP" means the Antananarivo Drainage Master Plan adopted by the Recipient on November 27, 2020.



9. "Disease Outbreak" means an outbreak of viral pathogens with a primary zoonotic reservoir or an outbreak due to deliberate or accidental release of pathogens previously eliminated from the human population, which in accordance with criteria acceptable to the Association poses a significant threat of spreading within a country or across countries, with potential to cause a large-scale regional epidemic or a global pandemic.
10. "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.
11. "Emergency Expenditures" means any of the eligible expenditures set forth in the CERC Manual referred to in Section H of Schedule 2 to this Agreement and required for the Contingent Emergency Response Part.
12. "Emergency Action Plan" means the plan referred to in Section H, detailing the activities, budget, implementation plan, and monitoring and evaluation arrangements, to respond to the Eligible Crisis or Emergency.
13. "Environmental and Social Commitment Plan" or "ESCP" means the environmental and social commitment plan for the Project, dated 26 May, 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.
14. "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.
15. "Food Insecurity Crisis" means an event or events driven by natural disasters, economic shocks, and/or public health threats, which pose a significant threat of becoming a large-scale food security crisis within a country or across countries, in accordance with criteria acceptable to the Association.
16. "GA" means Greater Antananarivo, the urban agglomeration of the Recipient's capital city and surrounding areas.
17. "GA PSC" means the Greater Antananarivo Project Steering Committee referred to in Section I.A.2 (a) of Schedule 2 to this Agreement.
18. "GHG" means greenhouse gas.



19. "GT" means Greater Toamasina, the urban agglomeration of the city of Toamasina and surrounding areas.
20. "GT PSC" means the Greater Toamasina Project Steering Committee referred to in Section I.A.2 (b) of Schedule 2 to this Agreement.
21. "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).
22. "HOM" or "Housing Operational Manual" means the manual to be adopted by the Recipient as a schedule to the Project Operation Manual, in form and substance satisfactory to the Association, setting forth the detailed implementation arrangements for housing reconstruction activities under Part 1.2 of the Project, as the same may be amended from time to time in agreement with the Association.
23. "NHRCs" means Neighborhood Housing Reconstruction Centers, the local support facilities to be established under the Project to assist Beneficiary Households in the housing reconstruction process.
24. "Housing Reconstruction Package" means a package provided to a Beneficiary Household for the owner-driven reconstruction of a housing unit, disbursed in tranches in accordance with the Housing Operational Manual.
25. "Housing Reconstruction Package Agreement" means the agreement to be entered into between the Recipient and a Beneficiary for the purpose of providing the Housing Reconstruction Package, in accordance with Section I.F of Schedule 2 to this Agreement.
26. "IFPB" means *Impôt Foncier sur la Propriété Bâtie*, the Recipient's property tax on built property.
27. "MATSF" means Ministère de l'Aménagement du Territoire et des Services Fonciers, the Recipient's Ministry of Land Planning and Land Services, and any successor thereto.
28. "MEDD" means Ministère de l'Environnement et du Développement Durable, the Recipient's Ministry of Environment and Sustainable Development, and any successor thereto.
29. "MEAH" means Ministère de l'Eau, de l'Assainissement et de l'Hygiène, the Recipient's Ministry of Water, Sanitation and Hygiene, and any successor thereto.
30. "MID" means Ministère de l'Intérieur et de la Décentralisation, the Recipient's Ministry of Interior and Decentralization, and any successor thereto.

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31. "Operating Costs" means the reasonable costs of the incremental expenditures required for the Project, including consumable materials and supplies; office rental costs; utilities fees; insurance; communications; advertising and newspaper subscriptions; printing and stationery costs; vehicle and/or office equipment operation and maintenance; charges for opening and operating bank accounts required for the Project, travel, lodging and *per diems* for Project staff, but does not include salaries or salary supplements of the Recipient's civil servants.
32. "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.
33. "POM" or "Project Operations Manual" means the manual to be adopted by the Recipient in form and substance satisfactory to the Association, setting forth the detailed implementation, fiduciary, environmental and social, and monitoring and evaluation arrangements for the Project, as the same may be amended from time to time in agreement with the Association.
34. "PMU" means the Project Management Unit established within MATSF, responsible for overall Project coordination, financial management, procurement, monitoring and evaluation, and reporting.
35. "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 September 2025
36. "Rapid Response Option" or "RRO" means the use of all or any portion of the Financing that has been requested by the Recipient and accepted by the Association in accordance with the terms of this Agreement to assist in financing the CERP.
37. "Service Providers" means any entity contracted by the Recipient to carry out delegated implementation activities under the Project, in accordance with a service agreement acceptable to the Association.
38. "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.

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39. "TMU" means the Toamasina Management Unit to be established by the Recipient under the Project, as further described in Section I.A.4 of Schedule 2 to this Agreement.
40. "Training" means the costs of training activities under the Project, including seminars, workshops, and study tours, along with travel and subsistence allowances for training participants, services of trainers, rental of training facilities, preparation and reproduction of training materials, and other activities directly related to training preparation and implementation, all based on annual work plans and budgets approved by the Association.
41. "TRCU" means the Toamasina Reconstruction Coordination Unit established by the Government of the Recipient pursuant to Decree 2026-689.

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