

PRESIDENCE DE LA REPUBLIQUE DECRET N°2022-1155

Portant ratification de l'Accord de Prêt relatif au financement du Programme de Résilience du Système Alimentaires en Afrique de l'Est et australe –phase 1 dans le cadre de l'Approche programmatique multiphase, conclu le 22 juin 2022 entre la République de Madagascar et l'Association Internationale de Développement (IDA)

LE PRESIDENT DE LA REPUBLIQUE:

- -Vu la Constitution,
- -Vu la loi n°2022-011 du 21 juillet 2022 autorisant la ratification de l'Accord de Prêt relatif au financement du Programme de Résilience du Système Alimentaires en Afrique de l'Est et australe phase 1 dans le cadre de l'Approche programmatique multiphase, conclu le 22 juin 2022 entre la République de Madagascar et l'Association Internationale de Développement (IDA),
- -Vu le Décret n° 2019-1407 du 19 juillet 2019 portant nomination du Premier Ministre, Chef du Gouvernement,
- -Vu le Décret n°2021- 822 du 15 août 2021, modifié et complété par le décret n°2022-400 du 16 mars 2022 portant nomination des membres du Gouvernement,

DECRETE:

Article premier—Est ratifié l'Accord de Prêt relatif au financement du Programme de Résilience du Système Alimentaires en Afrique de l'Est et australe —phase 1 dans le cadre de l'Approche programmatique multiphase, conclu le 22 juin 2022 entre la République de Madagascar et l'Association Internationale de Développement (IDA), d'un montant de CINQUANTE HUIT MILLIONS NEUF CENT MILLE DROITS DE TIRAGE SPECIAUX (58 900 000 DTS).

-Article 2-Le présent décret sera publié au Journal Officiel de la République.

Fait à Antananarivo, le 05 août 2022

Par le Président de la République,

Andry RAJOELINA

Le Premier Ministre, Chef de Gouvernement.

NTSAY Christian

Le Ministre de l'Economie et des Finances

Ministère de l'Agriculture et de l'Elevage

RABARINIRINARISON Rindra Hasimbelo

RAMILISON Harifidy Janset

Pour ampliation conforme

Antananarivo, le 0 9 AOUI 2022

LE SECRETAIRE GENERAL DU GOUVERNEMENT

RAKOTOARISOA Miadantsata Indriamanga

CREDIT NUMBER 7157-MG GRANT NUMBER E083-MG

Financing Agreement

(Food Systems Resilience Program for Eastern and Southern Africa Phase 1 under the Multi-Phase Programmatic Approach)

between

REPUBLIC OF MADAGASCAR

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

CREDIT NUMBER 7157-MG GRANT NUMBER E083-MG

FINANCING AGREEMENT

AGREEMENT dated as of the Signature Date between REPUBLIC OF MADAGASCAR ("Recipient") and INTERNATIONAL DEVELOPMENT ASSOCIATION ("Association"). The Recipient and the Association hereby agree as follows:

ARTICLE I — GENERAL CONDITIONS; DEFINITIONS

- 1.01. The General Conditions (as defined in the Appendix to this Agreement) apply to and form part of this Agreement.
- 1.02. Unless the context requires otherwise, the capitalized terms used in this Agreement have the meanings ascribed to them in the General Conditions or in the Appendix to this Agreement.

ARTICLE II — FINANCING

- 2.01. The Association agrees to extend to the Recipient a grant and a credit, which are deemed as Concessional Financing for purposes of the General Conditions (collectively, "Financing") in the following amounts to assist in financing the project described in Schedule 1 to this Agreement ("Project"):
 - (a) an amount equivalent to fifty-eight million nine hundred thousand Special Drawing Rights (SDR 58,900,000) ("Grant"); and
 - (b) an amount equivalent to fifty-eight million nine hundred thousand Special Drawing Rights (SDR 58,900,000) ("Credit").
- 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 Service Charge is three-fourths of one percent (3/4 of 1%) per annum on the Withdrawn Credit Balance.

- 2.05. The Payment Dates are May 15 and November 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.
- 2.07. The Payment Currency is Dollar.

ARTICLE III — PROJECT

3.01. The Recipient declares its commitment to the objectives of the Project and the MPA Program. To this end, the Recipient shall carry out the Project in accordance with the provisions of Article V of the General Conditions and Schedule 2 to this Agreement.

ARTICLE IV — EFFECTIVENESS; TERMINATION

- 4.01. The Effectiveness Deadline is the date one hundred and eighty (180) days after the Signature Date.
- 4.03. For purposes of Section 10.05 (b) of the General Conditions, the date on which the obligations of the Recipient under this Agreement (other than those providing for payment obligations) shall terminate is 20 (twenty) years after the Signature Date.

ARTICLE V — REPRESENTATIVE; ADDRESSES

- 5.01. The Recipient's Representative is its Minister in charge of economy and finance.
- 5.02. For purposes of Section 11.01 of the General Conditions:
 - (a) the Recipient's address is:

Ministry of Economy and Finance PO Box 61 Antananarivo 101 Republic of Madagascar; and

(b) the Recipient's Electronic Address is:

E-mail: Tresorddp.mg@gmail.com

- 6.03. 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.

By

REPUBLIC OF MADAGASCAR

		"	
		Authorized Representative	
		SEM Rindra Rabarinirinarison	
	Name:		
	Title:	Ministre de l'Economie et des Finances	
	D-4	22-Jun-2022	
	Date:		
INTERNATIO	ONAL DEVELOR	PMENT ASSOCIATION	
Ву	Boutheina Guermazi		
	- 	Authorized Representative	

Name: _____

21-Jun-2022 **Date:**

Boutheina Guermazi

Title: _______Director, Regional Integration

SCHEDULE 1

Project Description

The objectives of the Project are to increase resilience of food systems and the Recipient's preparedness for food insecurity in Project areas.

The Project constitutes Phase 1 of the MPA Program and consists of the following parts:

Part 1: (Re-)Building Resilient Agricultural Production Capacity

Strengthening the productivity and resilience of food production to shocks and stressors, including by:

1.1. Supporting Climate-Informed and Pluralistic Seed Systems

Strengthening the development and delivery of improved varieties of food and fodder crops by upgrading informal seed systems, including by: (i) supporting the development of a national seed roadmap for selected crops and stress-tolerant and climate-adapted varieties; (ii) building up the capacity of seed regulators in quality assurance; (iii) identifying and addressing binding constraints impeding development of the seed value chain; (iv) increasing farmers' access to source technologies via Financing Mechanisms; (v) providing training and capacity building and marketing support to seed producers including private companies and farmer-based groups; (vi) reinforcing the technical and operational capacity of national agricultural research centers for safeguarding and ensuring the provision of pre-basic and basic seed; (vii) rehabilitating and upgrading public and community-based centers for seed multiplication, processing, storage, and marketing; and (viii) strengthening seed research by facilitating and funding collaborative research alliances with partners.

1.2. Supporting Enhanced Access to Climate-Smart Agricultural Mechanization

Enhancing smallholders' access to mechanization, including by: (i) supporting the development and delivery of equipment that can be used in land preparation, seeding (direct sowing), fertilization, weeding, harvest, the postharvest management (threshing and processing) and overall production of target crops; (ii) providing Financing Mechanisms to agricultural equipment vendors to expand their offerings, their market reach, and after-sale services; (iii) supporting the development of a digital platform linking smallholder farmers, producer groups, and agribusinesses to mechanization services; (iv) strengthening the capacity of the Center of Agriculture Mechanization; and (v) in collaboration with One CGIAR, supporting the development of innovative agricultural equipment and machinery.

1.3. Strengthening Agricultural Production, Price, and Weather Data Management and Information Systems

Supporting the development of data and digital information systems including by: (i) developing systems for collecting, assessing, managing, and disseminating information and advice among actors ranging from smallholder producers to livestock herders, agroprocessors, and policymakers; and (ii) building capacity at the national level for agrometeorological and hydrometeorological services (public, private, and academic ones) to: (a) gather data on hydrometeorological phenomena to complement regional and global data and infrastructure for climate risk management; and (b) provide impact-based forecasting, warning, and advisory services to farming communities.

<u>Part 2: Supporting the Sustainable Development of Natural Resources for Resilient Agricultural Landscapes</u>

Promoting participatory planning and more sustainable, community-led natural resources and irrigation infrastructure management including by:

2.1. Promoting Participatory Planning and Strengthening the Knowledge Base

Promoting participatory planning and strengthening the knowledge base for more sustainable and resilient natural resources management including by: (i) supporting planning and capacity building relating to the sustainable management of watersheds, including the preparation of watershed, subwatershed, and local management plans; (ii) supporting institutional and community-based capacity for sustainable natural resource management, including among water users' associations; (iii) supporting forest management and landscape restoration, including the rehabilitation of degraded lands, reforestation, fire management, terracing, agroforestry, and productive forestry for energy and construction wood; (iv) supporting planning, mapping, data collection, and knowledge generation for enhancing climate resilience and increasing carbon sequestration; (v) supporting the generation of baseline data on soil carbon, forest cover, land use, water use and demand, water and sediment flow, the status and diversification of livelihoods, and greenhouse gas emissions from land use and land use change; (vi) raising awareness among program beneficiaries of the negative impacts of bushfires, slash-and-burn agriculture, and excessive burning or charcoal production in risky zones.

2.2. Investing in Sustainable Land and Water Management for Enhanced Climate Resilience

Supporting investments in productive assets with a focus on water resources management, water services, and watershed management for climate adaptation and mitigation, including: (i) practices that promote soil and water conservation including agronomic measures and climate-smart agriculture practices; (ii) stream and groundwater control including small-scale storage; (iii) rainwater harvesting, natural catchment protection, riverbank restoration, agroforestry, silvopastoral systems, and sustainable rural energy to restore forest cover and groundwater recharge; and (iv) natural-resources based livelihoods such as nontimber forest products, beekeeping, green charcoal, and nature-based tourism.

2.3. Improving Water Management and Irrigation Services

Supporting the rehabilitation and improvement of existing gravity-fed irrigation sites and supporting the adoption of energy-efficient small-scale irrigation systems including by: (i) supporting the rehabilitation and sustainable management of public infrastructure such as dams and dykes that are highly vulnerable to climate shocks and susceptible to seeing their performance deteriorate due to a lack of regular upkeep; (ii) facilitating the operationalization of the Hydro-Agricultural Network Maintenance Fund (FRERHA) so that major infrastructure can benefit from regular maintenance and be repaired when damaged; and (iii) contributing to improving water governance by building the capacity of water users' associations.

Part 3: Improving Market Connectivity and Access for Smallholders

Promoting the inclusion of smallholder farmers and rural communities in crop and livestock value chains and more efficient food markets by:

3.1. Promoting Diversification and Value Addition for Better Income, Nutritional, and Health Outcomes

Supporting the development, adaptation, and delivery of agroprocessing technologies that enhance the availability and quality of healthy food products, and related income opportunities, including by supporting, via Financing Mechanisms, activities, materials and equipment that: (i) enhance the nutritional value of rice through improved varieties, and improved processing methods; and (ii) facilitate the development of innovative food products using tubers, cereals, and legumes and feed products to be promoted in villages, towns, and urban markets, including via nutritional centers and, where appropriate, to be scaled up at the regional level.

3.2. Rehabilitation and Decentralized Maintenance of Rural Feeder Roads for Improved Market Access and Resilient Value Chains

Financing the rehabilitation of infrastructure to improve the transportation of agricultural products to markets, and rural producers' access to market opportunities, including by rehabilitating feeder roads that small-scale producers, including rural women, use to access inputs and outputs markets.

3.3. Construction and Rehabilitation of Public Laboratories and Equipment

Financing the rehabilitation and construction of public laboratories as well as the procurement of equipment to enable public laboratories to take part in quality and sanitary and phytosanitary standard controls, epidemio-surveillance, seed certification, fertilizer and pesticide quality control, and other agrifood value chain support functions.

3.4. Strengthening Priority Value Chains and Linkages to Regional Markets

Strengthening priority value chains and linkages to regional markets including, *inter alia:* (i) supporting investments in in cold chain facilities, post-harvest storage infrastructure, and other infrastructure bottlenecks that affect priority value chains; (ii) establishing a platform for the aggregation, marketing, and promotion of export-ready products; (iii) updating standards and best practice guidelines to align them with regional and international ones; (iv) capacity building of farmers, farmer organizations, government officials, and agribusiness entrepreneurs for the adoption or dissemination of new or more demanding practices and standards; and (v) promoting the digitalization of government services and information and communication system including, *inter alia*, by supporting the development of integrated agricultural data platforms and piloting traceability systems.

Part 4: Project Coordination, Knowledge Management, and Dissemination

Supporting Project coordination, knowledge management, and dissemination including by:

4.1. **Project Coordination and Management**

Supporting all aspects of Project management and monitoring and evaluation including, *inter alia*, activities relating to Project startup, monitoring and evaluation, knowledge management, communications, and compliance with fiduciary, procurement, environmental, and social requirements including corporate commitments.

4.2. Enabling Climate-Informed Policies, Institutions, and Regional Coordination

Facilitating climate-informed and cross-cutting policy efforts relating to food systems resilience, including regional-level efforts, including by: (i) enhancing the regulatory and policy framework for digital agriculture; (ii) strengthening public agricultural support programs and creating incentives for the adoption of climatesmart agriculture; (iii) supporting efforts toward the regional harmonization of national food security policies, regional knowledge sharing, and intraregional food trade; (iv) strengthening institutional, professional, and technical capacities of government agencies; (v) supporting the capacity to monitor and track deforestation, land-use change and greenhouse gas emissions; (vi) financing the development and deployment of digital technologies; (vii) supporting performance assessments of public policies and programs, and identifying ways in which public spending and policies can be reoriented to better align with sustainability, resilience, gender-equity, and core objectives of the MPA Program; and (viii) strengthening the knowledge and skills of key research and technical staff across public institutions via the provision of technical short-term and long-term training for the staff of the Recipient's Ministry of Agriculture and Livestock and key research and technical institutions.

Part 5: Contingent Emergency Response

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

SCHEDULE 2

Project Execution

Section I. Implementation Arrangements

A. Institutional Arrangements

The Recipient shall maintain throughout Project implementation the following institutional arrangements, as further described in the Project Implementation Manual:

1. <u>Ministry of Agriculture and Livestock (MinAE)</u>

The Recipient shall vest responsibility for overall coordination and implementation of the Project in the MinAE, with the support of other relevant ministries and, at the regional level, of the regional directorates of agriculture and livestock.

2. Project Steering Committee (PSC)

- (a) By no later than one (1) month after the Effective Date, the Recipient shall establish and thereafter maintain the Project Steering Committee (PSC) with a mandate, composition, and resources acceptable to the Association.
- (b) The PSC shall be responsible for providing strategic oversight of the Project and, among other tasks as further described in the Project Implementation Manual, review and approve the draft Annual Work Plan and Budget.
- (c) The PSC shall include representation from key stakeholders including, *inter alia*, the Secretary General of the MinAE, and representatives from the Ministry of Environment and the Ministry in charge of Finance (MEF); as well as representatives of regional governors, producers and local communities and organizations. The PSC shall be chaired by the Secretary General of the MinAE. The PSC shall meet in ordinary sessions twice a year, or once every six months, at the invitation of its chairperson.

3. Project Implementing Unit (PIU)

- (a) By no later than one (1) month after the Effective Date, the Recipient shall establish and thereafter maintain a PIU with a mandate, composition and resources acceptable to the Association.
- (b) The PIU shall be responsible for the coordination and implementation of the Project, including planning, quality oversight, implementation,

procurement, financial management and disbursement, accounting, financial and technical reporting, monitoring and evaluation of the Project, including the environmental and social standards aspects, and ensuring the auditing of the Project accounts.

(c) By no later than three (3) months after the Effective Date, the Recipient shall recruit or appoint a technical manager, and experts on grants, on environment and natural resources management, social aspects, and on agriculture and food security, as further detailed in the Project Implementation Manual and the Environmental and Social Commitment Plan.

4. Regional Implementation Units (RIUs)

By no later than six (6) months after the Effective Date, the Recipient shall establish and thereafter maintain RIUs which shall be responsible for day-to-day implementation of activities in regions where the Project operates, with a mandate, composition, and resources acceptable to the Association, as further described in the Project Implementation Manual and the Environmental and Social Commitment Plan. Each RIU will be led by and housed in the relevant regional directorate of agriculture and livestock with the assistance of relevant ministries and other institutions. RIUs shall be responsible for coordination and implementation of the Project, including planning, quality oversight, implementation, procurement, financial management and disbursement, accounting, financial and technical reporting, monitoring and evaluation of the Project, including the environmental and social standards aspects. RIUs shall report to the PIU.

5. <u>Sectoral Ministries</u>

To facilitate Project implementation, the Recipient, through the PIU or the relevant RIU by delegation, shall, no later than three (3) months after the Effective Date or any later date agreed upon in writing with the Association, enter into a memorandum of understanding with the sectoral line ministries involved in the Project under terms and conditions satisfactory to the Association, which shall set out, *inter alia*, agreed roles and responsibilities of sectoral ministries under the Project and compliance with the Anti-Corruption Guidelines, for purposes of Project implementation.

B. Project Implementation Manual

1. By no later than one (1) month after the Effective Date, the Recipient shall adopt and thereafter maintain, in accordance with terms of reference acceptable to the Association, a Project Implementation Manual or PIM, containing detailed Project arrangements and procedures for: (a) institutional coordination and day-to-day

- execution of the Project; (b) monitoring, evaluation, reporting and communication; (c) administration, procurement, financial management and accounting; (d) grievance redress; and (e) such other administrative, financial, technical and organizational arrangements, and procedures as shall be required for purposes of implementation of the Project.
- 2. Except as the Association shall otherwise agree in writing, the Recipient shall not amend, waive or otherwise modify the Project Implementation Manual, or any provision thereof if, in the opinion of the Association, such amendment, waiver or other modification may materially and adversely affect the implementation of the Project.
- 3. In the event of any inconsistency between this Agreement and the Project Implementation Manual, the provisions of this Agreement shall prevail.

C. Financing Mechanisms

- 1. The Recipient shall provide Financing Mechanisms under Parts 1.1, 1.2, and 3.1 of the Project to selected beneficiaries in accordance with eligibility criteria and procedures set forth in the Financing Mechanisms Manual to be adopted and thereafter maintained in a manner acceptable to the Association.
- 2. The Recipient shall establish each Financing Mechanism under an agreement with the respective selected beneficiary on terms and conditions approved by the Association, which shall include the following:
 - (i) the Financing Mechanism shall be provided in accordance with the financial terms and conditions set forth in the Financing Mechanisms Manual;
 - (ii) the Recipient shall obtain rights adequate to protect its interests and those of the Association, including the right to require each selected beneficiary to:
 - (A) carry out its Sub-project with due diligence and efficiency and in accordance with sound technical, economic, financial, and managerial practices satisfactory to the Association, including in accordance with the provisions of the Anti-Corruption Guidelines applicable to recipients of loan proceeds other than the Recipient;
 - (B) provide, promptly as needed, the resources required for the purpose of its Sub-project;
 - (C) maintain policies and procedures adequate to enable it to monitor and evaluate in accordance with indicators acceptable to the

Association, the progress of the Sub-project and the achievement of its objectives;

- (D) (1) maintain a financial management system and prepare financial statements in accordance with consistently applied accounting standards acceptable to the Association, both in a manner adequate to reflect the operations, resources and expenditures related to the Sub-project; and (2) at the Association's or the Recipient's request, have such financial statements audited by independent auditors acceptable to the Association, in accordance with consistently applied auditing standards acceptable to the Association, and promptly furnish the statements as so audited to the Recipient and the Association;
- (E) enable the Recipient and the Association to inspect the Subproject, its operation and any relevant records and documents; and
- (F) prepare and furnish to the Recipient and the Association all such information as the Recipient or the Association shall reasonably request relating to the foregoing.
- 3. The Recipient shall exercise its rights under each agreement in such manner as to protect the interests of the Recipient and the Association and to accomplish the purposes of the Financing. Except as the Association shall otherwise agree in writing, the Recipient shall not assign, amend, abrogate, or waive any agreement relating to the Financing Mechanisms or any of its provisions.

D. Annual Work Plan and Budget

For purposes of implementation of the Project, the Recipient shall:

- (a) prepare a draft annual work plan and budget ("AWPB") for each January 1 through December 31 period ("Fiscal Year"), setting forth, *inter alia:* (i) a detailed description of the planned activities under the Project for the following Fiscal Year; (ii) the sources and proposed use of funds therefor; (iii) procurement arrangements therefor; and (iv) responsibility for the execution of said Project activities, budgets, start and completion dates, outputs and monitoring indicators to track progress of each activity;
- (b) not later than November 30 of each Fiscal Year, furnish the draft AWPB to the Association for its review, and promptly thereafter finalize the AWPB, taking into account the Association's comments thereon; and
- (c) by December 31 of each Fiscal Year, adopt and implement the final AWPB after obtaining the Association's approval thereon.

www.cnlegis.gov.mg 15/25

E. Environmental and Social Standards

- 1. The Recipient shall 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 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, and 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.

F. Contingent Emergency Response

- 1. In order to ensure the proper implementation of contingent emergency response activities under Part 5 of the Project ("Contingent Emergency Response Part"), the Recipient shall ensure that:
 - (a) a manual ("CER 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 for an Emergency Action Plan;
 - (b) the Emergency Action Plan is prepared and adopted in form and substance acceptable to the Association;

- (c) the Contingent Emergency Response Part is carried out in accordance with the CER Manual and the Emergency Action Plan; provided, however, that in the event of any inconsistency between the provisions of the CER Manual or the Emergency Action Plan and this Agreement, the provisions of this Agreement shall prevail; and
- (d) neither the CER 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 CER 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 CER 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 Contingent Emergency Response Part shall be undertaken only after an Eligible Crisis or Emergency has occurred.

Section II. <u>Project Monitoring, Reporting and Evaluation</u>

The Recipient shall furnish to the Association each Project Report not later than one month after the end of each calendar semester, covering the calendar semester.

Section III. Withdrawal of the Proceeds of the Financing

A. General

Without limitation upon the provisions of Article II of the General Conditions and in accordance with the Disbursement and Financial Information Letter, the Recipient may withdraw the proceeds of the Financing to finance Eligible Expenditures in the amount allocated and, if applicable, up to the percentage set forth against each Category of the following table:

Category	Amount of the Credit Allocated (expressed in SDR)	Amount of the Grant Allocated (expressed in SDR)	Percentage of Expenditures to be Financed (inclusive of Taxes)
(1) Goods, works, non-consulting services, consulting services, Operating Costs and Training under Parts 1, 2 and 3 of the Project (except for Financing Mechanisms under Parts 1.1, 1.2 and 3.1 of the Project)	35,100,000	35,100,000	100%
(2) Financing Mechanisms under Parts 1.1, 1.2 and 3.1 of the Project	15,600,000	15,600,000	100%
(3) Goods, works, non-consulting services, consulting services, Operating Costs and Training under Part 4 of the Project	8,200,000	8,200,000	100%
(4) Emergency Expenditures under Part 5 of the Project	0	0	100%
TOTAL AMOUNT	58,900,000	58,900,000	

B. Withdrawal Conditions; Withdrawal Period

- 1. Notwithstanding the provisions of Part A above, no withdrawal shall be made:
 - (a) under Categories (1) and (2) unless and until the Recipient has implemented the applicable material measures and actions including preparing, carrying out consultation on, adopting and publicly disclosing

- relevant environmental and social assessment/management plans and instruments set forth in the Environmental and Social Commitment Plan relating to Parts 1, 2 and 3 of the Project;
- (b) under Category (2) unless and until the Recipient has adopted the Financing Mechanisms Manual in a manner satisfactory to the Association; and
- (c) for Emergency Expenditures under Category (4) unless and until all of the following conditions have been met in respect of said expenditures:
 - (i) (A) the Recipient has determined that an Eligible Crisis or Emergency has occurred, and has furnished to the Association a request to withdraw Financing amounts under Category (4); and (B) the Association has agreed with such determination, accepted said request and notified the Recipient thereof; and
 - (ii) the Recipient has adopted the CER Manual and Emergency Action Plan, in form and substance acceptable to the Association.
- 2. The Closing Date is June 29, 2029.

www.cnlegis.gov.mg 20/25

SCHEDULE 3

Repayment Schedule

Date Payment Due	Principal Amount of the Credit repayable (expressed as a percentage)*
On each May 15 and November 15, commencing November 15, 2028, to and including May 15, 2060	1.5625%

^{*} 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.

www.cnlegis.gov.mg 21/25

APPENDIX

Definitions

- 1. "Annual Work Plan and Budget" or "AWPB" means the annual work plan and budget to be prepared by the Recipient including a program of activities and budget proposed for inclusion for the Project during the following fiscal year, as described in Section I.D. of Schedule 2 to this Agreement.
- 2. "Anti-Corruption Guidelines" means, for purposes of paragraph 5 of the Appendix to the General Conditions, the "Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants", dated October 15, 2006, and revised in January 2011 and as of July 1, 2016.
- 3. "Category" means a category set forth in the table in Section III.A of Schedule 2 to this Agreement.
- 4. "Center of Agriculture Mechanization" means Centre de Fabrication et de Formation et d'Application du Machinisme et de la Mécanisation Agricole (CFFAMMA).
- 5. "CER Manual" means the manual referred to in Section I.F. of Schedule 2 to this Agreement, as such manual may be updated from time to time with the agreement of the Association, and which is an integral part of the Project Implementation Manual.
- 6. "Contingent Emergency Response Part" means any activity or activities to be carried out under Part 5 of the Project to respond to an Eligible Crisis or Emergency.
- 7. "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.
- 8. "Emergency Expenditures" means any of the eligible expenditures set forth in the CER Manual referred to in Section I.F. of Schedule 2 to this Agreement and required for the Contingent Emergency Response Part.
- 9. "Emergency Action Plan" means the plan referred to in Section I.F. of Schedule 2 to this Agreement, detailing the activities, budget, implementation plan, and monitoring and evaluation arrangements, to respond to the Eligible Crisis or Emergency.

www.cnlegis.gov.mg 22/25

- 10. "Environmental and Social Commitment Plan" or "ESCP" means the environmental and social commitment plan for the Project, dated May 9, 2022, as the same may be amended from time to time in accordance with the provisions thereof, which sets out the material measures and actions that the Recipient shall carry out or cause to be carried out to address the potential environmental and social risks and impacts of the Project, including the timeframes of the actions and measures, institutional, staffing, training, monitoring and reporting arrangements, and any environmental and social instruments to be prepared thereunder.
- "Environmental and Social Standards" or "ESSs" means, collectively: 11. (i) "Environmental and Social Standard 1: Assessment and Management of Environmental and Social Risks and Impacts"; (ii) "Environmental and Social Standard 2: Labor and Working Conditions"; (iii) "Environmental and Social Standard 3: Resource Efficiency and Pollution Prevention and Management"; (iv) "Environmental and Social Standard 4: Community Health and Safety"; (v) "Environmental and Social Standard 5: Land Acquisition, Restrictions on Land Use and Involuntary Resettlement"; (vi) "Environmental and Social Standard 6: Biodiversity Conservation and Sustainable Management of Living Natural Resources"; (vii) "Environmental and Social Standard 7: Indigenous Peoples/Sub-Saharan Historically Underserved Traditional Local Communities": (viii) "Environmental and Social Standard 8: Cultural Heritage"; (ix) "Environmental and Social Standard 9: Financial Intermediaries"; (x) "Environmental and Social Standard 10: Stakeholder Engagement and Information Disclosure"; effective on October 1, 2018, as published by the Association.
- 12. "Financing Mechanisms" means the financing mechanisms provided under Parts 1.1, 1.2 and 3.1 of the Project subject to compliance of the eligibility criteria set out in the Financing Mechanisms Manual, including *inter alia*, matching grants and other credit support mechanisms such as loan guarantee facilities.
- 13. "Financing Mechanisms Manual" means the manual referred to in Section I.C. of Schedule 2 to this Agreement.
- 14. "Fiscal Year" means the fiscal year of the Recipient commencing on January 1 and ending on December 31 of each year.
- 15. "General Conditions" means the "International Development Association General Conditions for IDA Financing, Investment Project Financing", dated December 14, 2018 (revised on August 1, 2020, April 1, 2021, and January 1, 2022).
- 16. "GBV" means gender-based violence.
- 17. "FRERHA" means Hydro-Agricultural Network Maintenance Fund.

www.cnlegis.gov.mg 23/25

- 18. "MEF" or "Ministry of Economy and Finance" means the recipients ministry responsible for finance, or any successor thereto acceptable to the Association.
- 19. "Ministry of Environment" means the Recipient's ministry responsible for the environment, or any successor thereto acceptable to the Association.
- 20. "MinAE" or "Ministry of Agriculture and Livestock" means the Recipient's ministry responsible for agriculture and livestock, or any successor thereto acceptable to the Association.
- 21. "MPA Program" means the multiphase programmatic approach program designed to increase the resilience of food system and preparedness for food insecurity in participating countries.
- 22. "One CGIAR" means the integration strategy of CGIAR to achieve interconnected and partnership-driven research towards achieving the Sustainable Development Goals.
- 23. "Operating Costs" means the reasonable incremental expenditures incurred by the Recipient and agreed to by the Association in the Annual Work Plan and Budget which are directly associated with implementation of the Project.
- 24. "Project Implementation Manual" or "PIM" means the manual described in Section I.B. of Schedule 2 to this Agreement, satisfactory to the Association and adopted by the Recipient for the purposes of the Project, as such manual may be revised from time to time with prior written consent of the Association.
- 25. "Procurement Regulations" means, for purposes of paragraph 85 of the Appendix to the General Conditions, the "World Bank Procurement Regulations for IPF Borrowers", dated November 2020.
- 26. "Project Implementing Unit" or "PIU" means the project implementing unit referred to in section I.A.3 of Schedule 2 to this Agreement.
- 27. "Project Steering Committee" or "PSC" means the Project steering committee described in Section I.A.2 of Schedule 2 to this Agreement.
- 28. "Regional Implementation Units" or "RIUs" means the regional implementation units described in section I.A.4 of Schedule 2 to this Agreement.
- 29. "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.

www.cnlegis.gov.mg 24/25

- 30. "SEA-SH" means sexual exploitation, abuse and harassment.
- 31. "Sub-project" means the list of activities to be financed out of the Financing Mechanisms under Parts 1.1, 1.2 and 3.1 of the Project.
- 32. "Training" means the activities provided under the Project, including seminars, workshops, knowledge sharing activities and study tours, and covers the following costs associated with such activity (other than those for consultants' services) travel and subsistence expenditures and other travel-related allowances for training participants such as *per diems* and reasonable accommodation costs, costs associated with securing the services of trainers, rental of training facilities, preparation and reproduction of training materials, and other costs directly related to training preparation and implementation, all based on Annual Work Plan and Budget acceptable to the Association.

www.cnlegis.gov.mg 25/25