
CREDIT NUMBER 6780 -MG

Financing Agreement

(Digital Governance and Identification Management System Project)

between

REPUBLIC OF MADAGASCAR

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

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 — CREDIT

- 2.01. The Association agrees to extend to the Recipient a credit, which is deemed as Non-concessional Financing for purposes of the General Conditions, in the amount of one hundred and forty million dollars, (USD 140,000,000), as such amount may be converted from time to time through a Currency Conversion ("Credit"), to assist in financing the project described in Schedule 1 to this Agreement ("Project").
- 2.02. The Recipient may withdraw the proceeds of the Credit in accordance with Section III of Schedule 2 to this Agreement.
- 2.03. The Front-end Fee is one quarter of one percent (1/4 of 1%) of the Credit amount.
- 2.04. The Commitment Charge is one-quarter of one percent (1/4 of 1%) per annum on the Unwithdrawn Credit Balance.
- 2.05. The Interest Charge is the Reference Rate plus the Fixed Spread or such rate as may apply following a Conversion; subject to Section 3.09(e) of the General Conditions.
- 2.06. The Payment Dates are March 1 and September 1 in each year.
- 2.07. The principal amount of the Credit shall be repaid in accordance with Schedule 3 to this Agreement.

ARTICLE III — PROJECT

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

ARTICLE IV — REMEDIES OF THE ASSOCIATION

- 4.01. The Additional Event of Suspension consists of the following: the Recipient has failed to adopt the Digital Governance Unit ("DGU") Legal Framework and/or the National Civil Registration and Identification Center ("NCRIC") Legal Framework or, after such adoption, the DGU Legal Framework and/or the NCRIC Legal Framework have been amended, suspended, abrogated, repealed or waived so as to affect materially and adversely the ability of the DGU and NCRIC, respectively to perform any of their obligations under the Project.
- 4.02. The Additional Event of Acceleration consists of the following, namely any event specified in Section 4.01 of this Agreement occurs and is continuing for a period of sixty (60) days after notice of the event has been given by the Association to the Recipient.

ARTICLE V — EFFECTIVENESS; TERMINATION

- 5.01. The Additional Condition of Effectiveness consists of the following: the GFF Grant Agreement has been duly executed and delivered, and all conditions precedent to its effectiveness, or to the right of the Recipient to make withdrawals under it, other than the effectiveness of this Agreement have been fulfilled.
- 5.02. The Effectiveness Deadline is the date ninety (90) days after the Signature Date.
- 5.03. For purposes of Section 10.05(b) of the General Conditions, the date on which the obligations of the Recipient under this Agreement (other than those providing for payment obligations) shall terminate is twenty years after the Signature Date.

ARTICLE VI — REPRESENTATIVE; ADDRESSES

- 6.01. The Recipient's Representative is its minister responsible for economy and finance.
- 6.02. For purposes of Section 11.01 of the General Conditions:
- (a) the Recipient's address is:

Ministry of Economy and Finance
B.P. 61

Antananarivo 101; and

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

Email:

tresorddp@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.

REPUBLIC OF MADAGASCAR

By:



Richard James Randriamandrato

Authorized Representative

Name: H.E. Richard James Randriamandrato

Title: LE MINISTRE DE L'ECONOMIE ET DES FINANCES

Date: 12 OCT 2020

INTERNATIONAL DEVELOPMENT ASSOCIATION

By:

Idah Pswarayi Riddihough

Authorized Representative

Name: Idah Pswarayi Riddihough

Title: Country Director for Madagascar

Date: 08-oct-2020

SCHEDULE 1

Project Description

The objective of the Project is to strengthen the Identity Management ("ID-M") system and government capacity to deliver services in Selected Sectors.

The Project consists of the following parts:

Part 1. Creation of a Consolidated and Interoperable ID-M System

1. Supporting the implementation of an institutional and administrative framework, for inclusive access to legal identity through, *inter alia*:
 - (a) (i) rehabilitation, upgrading and refurbishment of the central and regional offices of the NCRIC, district courts, ministries and other central and regional public entities involved in the civil registration process; (ii) operationalization of the NCRIC to manage two national civil registration and identification databases; (iii) provision of equipment; and (iv) technical assistance: (A) to support reforms of: (1) the legal and regulatory framework; (2) civil registration processes; and (3) administrative organization of all relevant stakeholders; (B) for communication and capacity building, including development of Training protocols and continued Training for NCRIC staff, local civil registrars, courts and individuals responsible for birth notification; and (C) for the adoption and implementation of Unique Identifier Numbers ("UIN") from birth and improved security of identity credentials; and
 - (b) (i) technical assistance for the digitalization of notifications from health centers and health workers; (ii) provision of equipment for health centers and community workers; and (iii) strengthening the capacity of health workers to provide timely and accurate notification of vital events that take place in health facilities (births and deaths).
2. Supporting the establishment of the technological foundations for ID-M interoperability through, *inter alia*:
 - (a) (i) provision of on-demand package of services to selected communes to support the acquisition of digital services and equipment; (ii) rehabilitation of offices and refurbishment for communes and civil registration offices and associated local services; (iii) development, acquisition and implementation of a national civil registration platform, including the back-end, front-end and databases, and interoperability protocols, security measures and secure record storage in line with the applicable legislation and best international practice; (iv) acquisition of

equipment and services of the digitalization of civil registration and identity archive records;
(v) development and roll-out of a secure identity authentication system;
(vi) initiation of biometric enrollment for an upgraded national identity card in selected regions; (vii) acquisition of systems, equipment and enrollment kits necessary for the issuance of upgraded secured nationality identity cards for the segment of the population that is over 18 year of age; and (viii) issuance of identity credential (civil registration documents and upgraded national identity cards).

- (b) Financing of Project Expenditures for development of systems and platforms for secure digitalization of civil registration and ID-M processes and records, including, *inter alia*: (i) civil registration transfers to communes and additional transfers to municipalities; (ii) operating costs of the NCRIC center; and (iii) acquisition of equipment for the Ministry of Interior and Decentralization ("MID") and affiliate agencies and other ministries relating to programs pertaining to civil registry and the adoption of the UIN System.

Part 2. Digital and Mobile Government Services

- I. Supporting the improvement of a digital governance framework, skills and infrastructure through, *inter alia*:
 - (a) Providing technical assistance to: (i) strengthen capacity coordination, design and implementation of back-end systems for service delivery; (ii) support regulatory reforms on data protection, data privacy and cybersecurity; (iii) development and acquisition of hardware, middleware, software and cloud solution services for core backend functions; (iv) acquisition of cloud infrastructure elements, notably hardware, virtualization, data storage and networking components; and (v) design and roll-out a countrywide capacity building program on digital skills for delivery and sustainability of digital services.
 - (b) Financing of Project Expenditures for the establishment of: (i) an institutional, legal and organizational framework for digital transformation; (ii) an institutional and policy framework for data privacy and protection; (iii) an institutional and policy framework for civilian cybersecurity; and (iv) government systems that are compliant with the DGU interoperability standards, including, *inter alia*, government transfers to finance operating costs, equipment, information technology solutions and services related to digital development and the implementation of data privacy and cybersecurity policies within the national civilian Computer Emergency Response Team ("CERT") and the Malagasy Data and Freedom Committee cybersecurity organizations,

("CMIL"), DGU and other ministries and public institutions; and government transfers to finance communes and communal services for education and health services.

2. Providing for: (a) acquisition of software development services, hardware and data services for frontline service providers; (b) digitization and storage of existing paper-based information; and (c) technical assistance to improve delivery of and access to user-centric digital government services, through: (i) capacity building for coordination and delivery of services according to agile and user-centric principles (including, telehealth, tele-education, multi-modal requests for basic information, gathering feedback and tracking resource allocation with frontline service providers); and (ii) implementation of centralized call-center infrastructure for voice-based services, including telemedicine and tele-education.

Part 3. Project Management and Implementation

Supporting the Recipient in the area of Project implementation through the provision of technical assistance, capacity building, Training, equipment and financing of Incremental Operating Costs related to the implementation and coordination of the Project, including Project monitoring, evaluation, verification, procurement, financial management, supervision, environment and social, and safeguards activities.

SCHEDULE 2

Project Execution

Section I. Implementation Arrangements

A. Institutional Arrangements

1. The COS-PREA (*Conseil d'Orientation et de Suivi du Programme de Réforme pour l'Efficacité de l'Administration*) based within the Office of the President shall have the responsibility for overall coordination of the Project.

Project Steering Committee

2. The Recipient shall, establish and thereafter maintain at all times during the implementation of the Project, the COS-PREA as the project steering committee comprising of, *inter alia*, high level representatives from the MID, Ministry of Telecommunication and Digital Governance, Ministry of Economy and Finance, Ministry of Health, Ministry of Justice and other relevant stakeholders, with a mandate, functions and resources satisfactory to the Association, to provide strategic guidance, high-level coordination and endorsing the Annual Workplan and Budget ("AWP"), as set forth in the Project Implementation Manual ("PIM").

Project Implementation Unit

3. The Recipient shall maintain at all times during the implementation of the Project, a Project Implementation Unit, with an adequate structure, functions, terms of reference and resources satisfactory to the Association and comprising of, *inter alia*, a Project coordinator (who will report directly and regularly to the COS-PREA), a chief accountant, an accountant, an internal auditor, a procurement specialist, a financial management specialist, a senior accountant, an environmental and social specialist, a monitoring and evaluation specialist, an asset management officer, a gender and communications specialist, a contract management specialist, a digital transformation specialist, and an ID-M specialist, with qualifications and experience acceptable to the Association. The PIU shall be responsible for: (a), day to day implementation of the Project, including all aspects of management, procurement, environmental and social safeguards, monitoring, evaluation and reporting; (b) preparing the AWP; and (c) coordinating with other stakeholders on Project implementation, as set forth in the PIM.

Digital Governance Unit

4. The Recipient shall, through the Office of the President, maintain at all times during the implementation of the Project, a DGU, headed by a chief digital

officer and comprising of, *inter alia*, product owners, user experience and content designers, back- and front-end designers, scrum masters and data analysts, with an adequate structure, functions, terms of reference and resources satisfactory to the Association, to be responsible for: (a) technical support on digital transformation aspects; (b) choice of infrastructure and technology to ensure harmonization across all digital services; (c) validation and quality assurance of digital services; (d) development of selected digital services; and (e) the chief digital officer will provide regular progress reports on the implementation of the digital transformation strategy to the COS-PREA, as set forth in the PIM.

5. Without limitation upon the above, the Recipient shall cause the Project Implementation Unit to:
 - (a) not later than one (1) month after the Effective Date, recruit a chief accountant, an accountant, an internal auditor, an ID-M and civil registration specialist, a digital transformation specialist, and a contract management specialist, under terms of reference and with qualifications and experience acceptable to the Association;
 - (b) not later than two (2) months after the Effective Date, recruit a gender and communications specialist, under terms of reference and with qualifications and experience acceptable to the Association;
 - (c) not later than three (3) months after the Effective Date, procure, install, configure and thereafter maintain an adequate accounting system for the Project Implementation Unit and train its staff on the use of said system; and
 - (d) not later than six (6) months after the Effective Date, recruit an external auditor for the first three Fiscal Years, under terms of reference and with qualifications and experience acceptable to the Association.

B. Project Implementation Manual

1. The Recipient shall, not later than one (1) month after the Effective Date, prepare and adopt a PIM, in form and substance satisfactory to the Association, containing detailed guidelines and procedures for Project implementation, including with respect to: administration and coordination; monitoring and evaluation; financial management procedures, including detailed arrangements and procedures on budget, internal control, accounting, funds flow, internal audit, external audit; procurement and accounting procedures; contract management procedures; environmental and social safeguards; corruption and fraud mitigation measures; Verification Protocol; grievance redress mechanisms; roles and

responsibilities for Project implementation; and such other arrangement and procedures as shall be require for the effective implementation of the Project.

2. The Recipient shall ensure that the Project is carried out in accordance with the PIM.
3. The Recipient shall ensure that the PIM is not amended, suspended, repealed or abrogated without the prior written approval of the Association. In case of any conflict between the terms of the PIM and those of this Agreement, the terms of this Agreement shall prevail.

C. Annual Work Plan and Budget

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

1. prepare a draft AWP for each year of Project implementation, setting forth, *inter alia*: (a) a detailed description of the planned activities, including any proposed Training, under the Project for the following year; (b) the sources and proposed use of funds therefor; (c) procurement, and environmental and social safeguards arrangements therefor, as applicable; and (d) responsibility for the execution of said Project activities, budgets, start and completion dates, outputs and monitoring indicators to track progress of each activity;
2. not later than November 30 of each year, furnish the draft AWP for the following year to the Association for its review, except for the AWP for the Project for the first year of Project implementation, which shall be furnished not later than one (1) month after the Effective Date, and promptly thereafter finalize the draft AWP, taking into account the Association's comments thereon; and
3. thereafter adopt and carry out such draft AWP for the relevant year as shall have been agreed with the Association, as such plan may be subsequently revised during such year with the prior written agreement of the Association.

D. 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, and 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 accessible grievance mechanisms, 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 to:
 - (a) comply with the relevant aspects of ESCP and the environmental and social

instruments referred to therein; and (b) adopt and enforce codes of conduct that should be provided to and signed by all workers, detailing measures to address environmental, social, health and safety risks, and the risks of sexual exploitation and abuse, sexual harassment and violence against children, all as applicable to such civil works commissioned or carried out pursuant to said contracts.

E. Verification

1. The Recipient shall, for purposes of implementation of Parts 1.2(b) and 2.1(b) of the Project:
 - (a) recruit and maintain a Verification Agency, throughout Project implementation, under terms of reference, and with experience and qualifications satisfactory to the Association;
 - (b) cause the Verification Agency to undertake, at least annually, an independent verification process, in a manner and in substance satisfactory to the Association, to ascertain whether the Performance Based Conditions ("PBCs") have been achieved for the period under review; and
 - (c) furnish to the Association corresponding verification report(s) in form and substance agreed with the Association, and any information and/or documentation that the Verification Agency and/or the Association shall reasonably require for the monitoring, audit, analysis and/or verification of the achievement/fulfillment of the PBCs set forth in Schedule 3 to this Agreement.
2. In the event of a need for verification services prior to the appointment of such agency, the Recipient shall put in place adequate interim arrangements satisfactory to the Association and approved in writing by the Association for this purpose.

Section II. Project Monitoring, Reporting and Evaluation

Project Report

1. The Recipient shall furnish to the Association each Project Report not later than forty-five (45) days after the end of each calendar quarter, covering the calendar quarter.

Midterm Review

2. The Recipient, through the Project Implementation Unit, shall:

- (a) carry out jointly with the Association, not later than twenty four (24) months, or such other period as may be agreed with the Association, after the Effective Date, a midterm review to assess the status of Project implementation, including as measured against the PBCs and the indicators referred to in Section 5.08(a) of the General Conditions. Such review shall include an assessment of the following: (i) overall progress in implementation; (ii) results of monitoring and evaluation activities; (iii) progress on procurement and disbursement; (iv) implementation arrangements; and (v) the need to make any adjustments to the Project and reallocate funds to improve performance;
- (b) to this end, prepare and furnish to the Association, not later than one (1) month before such review, a report, in scope and detail satisfactory to the Association and integrating the results of the monitoring and evaluation activities performed pursuant to Section 5.08(a) of the General Conditions, on the progress achieved in the carrying out of the Project during the period preceding the date of such report and setting out the measures recommended to ensure the efficient carrying out of the Project and the achievement of the objective thereof during the period following such date.

Section III. Withdrawal of the Proceeds of the Financing

A. General

- I. The Recipient may withdraw the proceeds of the Financing in accordance with the provisions of: (a) Article II of the General Conditions; (b) this Section; and (c) the Disbursement and Financial Information Letter, to finance Eligible Expenditures in the amount allocated and, if applicable, up to the percentage set forth against each Category in the following table:

Category	Amount of the Credit Allocated (expressed in USD)	Percentage of Expenditures to be Financed (inclusive of Taxes)
(1) Project Expenditures under Part 1.2(b) of the Project.	7,500,000	100%
(2) Project Expenditures under Part 2.1(b) of the Project.	15,000,000	100%
(3) Goods, works, non-consulting services, and	114,640,000	100%

consulting services Incremental Operating Costs and Training under Parts 1, 2, and 3 except for Parts 1.1(b), 1.2(b) and 2.1(b) of the Project.		
(4) Refund of Preparation Advance	2,860,000	Amount payable pursuant to Section 2.07(a) of the General Conditions
TOTAL AMOUNT	140,000,000	

B. Withdrawal Conditions; Withdrawal Period

1. Notwithstanding the provisions of Part A above, no withdrawal shall be made:
 - (a) for payments made prior to the Signature Date;
 - (b) on the basis of PBCs achieved prior to the Signature Date; and
 - (c) in respect of Category (1) and (2) above, until and unless the Recipient has: (i) recruited a Verification Agency, in accordance with Section I.E.1(a) of Schedule 2 to this Agreement; and (ii) furnished evidence satisfactory to the Association that said PBCs have been achieved, including the corresponding verification report(s) referred to in Section I.E.1 of this Schedule as prepared and approved by the Verification Agency and satisfactory to the Association.
2. Notwithstanding the provisions of Section III.B.1 of this Schedule, withdrawals by the Recipient under Categories (1) and (2) shall not exceed the relevant PBC amount specified in the table set forth in Schedule 3 to this Agreement, subject to submission to the Association of satisfactory evidence that the PBC (for which a withdrawal request has been submitted) has been achieved.
3. Notwithstanding the provisions of Section III.B.1 of this Schedule, if the Association is not satisfied that any one or more of the PBCs have been achieved by the date by which the said PBCs are set to be achieved as set forth in Schedule 3 to this Agreement, and/or the Allocated Amounts for such PBCs have not been fully withdrawn, the Association may, at any time, by notice to the Recipient, decide at its sole discretion to:

- (a) withhold all or a portion of the proceeds of the Financing corresponding to the Allocated Amounts for the said PBC(s) until such PBCs is/are, in the opinion of the Association, satisfactorily met;
 - (b) reallocate all or a portion of the proceeds of the Financing corresponding to the Allocated Amounts of the said PBC(s) to any other PBC(s); and/or
 - (c) in the case of any PBC(s) not achieved by the Closing Date, cancel all or a portion of the proceeds of the Financing corresponding to the Allocated Amounts then allocated to said PBC(s), it being understood that the dates provided in Schedule 3 to this Agreement by which PBCs are set to be achieved are indicative and that PBCs may be achieved at any time prior to the Closing Date.
- 4. Notwithstanding the provisions of paragraph 1(c) above, the amount of the Financing to be withdrawn upon the verified achievement of any PBC shall not exceed the lesser of: (a) the Allocated Amount corresponding to such PBC; and (b) the amount of the Project Expenditures under Categories (1) and (2) incurred by the Recipient but not yet paid by the proceeds of the Financing as of the date of such withdrawal.
- 5. If, at any time, the Association determines that any portion of the amounts disbursed by the Recipient under Categories (1) and (2) was made for expenditures that are not eligible under the Project Expenditures, the Recipient shall promptly refund any such amount to the Association, as the Association shall specify by notice to the Recipient.
- 6. The Closing Date is December 31, 2024.

SCHEDULE 3

Performance Based Conditions and Allocated Amounts (expressed in USD)

Performance Based Conditions ("PBC") ¹	Results ²			
	Year 1	Year 2	Year 3	Year 4
PBC 1: Modernization of the ID-M system	PBC 1.1: The Recipient has adopted and published, by decree, a new UIN for individuals, legal entities and localities and roll out of the UIN through publication of the standard operational manual	PBC 1.2: DGU has established the ID-M system architecture in compliance with DGU Interoperability Standards and validated by the NCRIC	PBC 1.3: Independent audit firm has carried out a performance audit of the ID-M system and prepared an audit report for publication on the DGU website	PBC 1.4: DGU has tested the upgraded ID-M credentials and published related test reports
Allocated Amount	1,000,000	2,000,000	2,500,000	2,000,000
PBC 2: Establishment of institutional, legal and infrastructural foundations for digital transformation	PBC 2.1: The Recipient has adopted and published a decree establishing the DGU's institutional framework as well as the Digital Service Standards Manual	PBC 2.2: DGU has rolled-out a single government domain (online public portal), offering multi-modal services	PBC 2.3: DGU has rolled out an authentication and verification system for individuals and legal entities	PBC 2.4: 30% of DGU budget financed by the Recipient's internal resources

¹ None of the PBCs indicated in this table are scalable.

² The Years indicated in this table are indicative and the achievement of PBCs is not timebound.

Allocated Amount	200,000	200,000	650,000	650,000
PBC 3: Implementation of institutional and policy frameworks for data privacy and protection	PBC 3.1: CMIL operationalized through, <i>inter alia</i> , inclusion of a budget line in the Finance Law (2021) and publication of the CMIL Procedures Manual	PBC 3.2: CMIL has published an annual online report on data privacy and protection	PBC 3.3: CMIL has published a report on data privacy and protection and organized a public debate on the findings of the report	PBC 3.4: CMIL has published a report on data privacy and protection and organized a regional public debate on the findings of the report
Allocated Amount	200,000	200,000	650,000	650,000
PBC 4: Implementation of institutional and policy frameworks for civilian cybersecurity	PBC 4.1: Recipient has adopted and published, by decree, a National Civilian Cybersecurity Strategy ("NCCS")	PBC 4.2: ARTEC has adopted a CERT Procedures Manual to operationalize a civilian CERT.	PBC 4.3: Independent firm has carried out a cybersecurity audit of key government digital systems	PBC 4.4: CERT has reviewed (including through public consultations), updated and published the NCCS
Allocated Amount	200,000	200,000	650,000	550,000
PBC 5: Systems that are compliant with DGU interoperability standards (number) (cumulative)	PBC 5.1: 2.00	PBC 5.2: 4.00	PBC 5.3: 6.00	PBC 5.4: 10.00
Allocated Amount	500,000	1,500,000	4,000,000	4,000,000

SCHEDULE 4

Commitment-Linked Amortization Repayment Schedule

The following table sets forth the Principal Payment Dates of the Credit and the percentage of the total principal amount of the Credit payable on each Principal Payment Date ("Installment Share").

Level Principal Repayments

Principal Payment Date	Installment Share
On each March 1 and September 1 Beginning March 1, 2031 through September 1, 2049	2.56%
On March 1, 2050	2.72%

APPENDIX

Definitions

1. "Allocated Amount" means the amount allocated to each individual PBC or part of a PBC, as indicated in the table in Schedule 3 to this Agreement, as such amount might be reallocated and/or cancelled (whether partially or in its entirety) by the Association, from time to time as the case may be, in accordance with the provisions of Section III.B of Schedule 2 to this Agreement.
2. "Annual Work Plan and Budget" means an annual work plan and budget referred to in Section I.C of Schedule 2 to this Agreement.
3. "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.
4. "ARTEC" means the Recipient's *Autorité de Régulation des Technologies de Communication* or Communication Technology Regulation Authority, established pursuant to Decree n°2006-213 of March 21, 2006, and responsible for regulating the telecommunications sector.
5. "Category" means a category set forth in the table in Section III.A of Schedule 2 to this Agreement.
6. "CERT" means the Recipient's Computer Emergency Response Team to be operationalized, and which will be tasked with responding to cybersecurity emergencies or incidents at the operational level.
7. "CMIL" means *Commission Malagasy sur l'Informatique et des Libertés* or Malagasy Data and Freedom Committee, an independent authority established pursuant to the Recipient's Personal Data Protection Law No. 2014-038 dated January 9, 2015, and responsible for implementing personal data protection legislation in Madagascar.
8. "CMIL Procedures Manual" means a manual that defines the policies, guidelines and processes (including institutional, administrative and financial) governing the functioning of the CERT as a regulatory body mandated to enforce and oversee the Personal Data and Protection Law.
9. "*Conseil d'Orientation et de Suivi du Programme de Réforme pour l'Efficacité de l'Administration*" or "COS-PREA" means the project steering committee established pursuant to Decree No. 2015-009 of January 9, 2015, and referred to in Section I.A.1 of Schedule 2 to this Agreement.

10. "DGU Interoperability Standards" means the norms and standards that govern the exchange of data and communication between the information systems and the Recipient's own systems and databases. These interoperability standards will ensure that organizations operating under different legal, policy and technical frameworks can operate in a manner that is transparent to users.
11. "DGU Legal Framework" means the Recipient's national legislation and/or regulation that shall establish the DGU as a public industrial and commercial body (*établissement public à caractère industriel et commercial*), and that shall it the capacity to, *inter alia*: (a) implement activities under Part 2 of the Project; (b) harmonize and coordinate government initiatives related to digital services; (c) generate revenues; and (d) manage human resources, all in a manner acceptable to the Association.
12. "Digital Governance Unit" or DGU" means the Recipient's unit responsible for developing and coordinating implementation of the government's digital transformation strategy and referred to in Section I.A.4 of Schedule 2 to this Agreement.
13. "Digital Service Standards Manual" means the Recipient's manual which provides guidance to institutions and departments responsible for designing and implementing public services, on the methodology and steps to follow to meet DGU Interoperability Standards.
14. "Environmental and Social Commitment Plan" or "ESCP" means the environmental and social commitment plan for the Project, dated August 21, 2020, 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.
15. "Environmental and Social Standards" or "ESSs" means, collectively: (a) "Environmental and Social Standard 1: Assessment and Management of Environmental and Social Risks and Impacts"; (b) "Environmental and Social Standard 2: Labor and Working Conditions"; (c) "Environmental and Social Standard 3: Resource Efficiency and Pollution Prevention and Management"; (d) "Environmental and Social Standard 4: Community Health and Safety"; (e) "Environmental and Social Standard 5: Land Acquisition, Restrictions on Land Use and Involuntary Resettlement"; (f) "Environmental and Social Standard 6: Biodiversity Conservation and Sustainable Management of Living Natural Resources"; (g) "Environmental and Social Standard 7: Indigenous Peoples/Sub-Saharan Historically Underserved Traditional Local Communities";

- (h) "Environmental and Social Standard 8: Cultural Heritage"; (i) "Environmental and Social Standard 9: Financial Intermediaries"; and (j) "Environmental and Social Standard 10: Stakeholder Engagement and Information Disclosure"; effective on October 1, 2018, as published by the Association.
16. "Finance Law (2021)" means the Recipient's budget bill for the Fiscal Year 2021, the determines the nature, amount and allocation of state resources and expenditures.
17. "Fiscal Year" or "FY" means the Recipient's fiscal year commencing from January 1 to December 31 of each year.
18. "General Conditions" means the "International Development Association General Conditions for IDA Financing, Investment Project Financing", dated December 14, 2018.
19. "GFF Grant Agreement" means the grant agreement for the Project between the Recipient and the International Development Association, acting as administrator of the Global Financing Facility, for the provision of a grant for co-financing the Project, as such agreement may be amended from time to time. "GFF Grant Agreement" includes all appendices, schedules and agreements supplemental to the GFF Grant Agreement.
20. "Global Financing Facility" means the facility established and administered by the Bank pursuant to Trust Fund No. 083840, as amended from time to time.
21. "Ministry of Economy and Finance" means the Recipient's *Ministère de l'Economie et des Finances*, or any successor thereto acceptable to the Association.
22. "Ministry of Health" means the Recipient's Ministry of Health (*Ministère de la Santé*), or any successor thereto acceptable to the Association.
23. "Ministry of Interior and Decentralization" means the Recipient's Ministry of Interior and Decentralization (*Ministère de l'Intérieur et de la Décentralisation*), or any successor thereto acceptable to the Association.
24. "Ministry of Justice" means the Recipient's Ministry of Justice (*Ministère de la Justice*) or any successor thereto acceptable to the Association.
25. "Ministry of Telecommunication and Digital Governance" means the Recipient's Ministry of Telecommunication and Digital Governance (*Ministère de la Télécommunication et la gouvernance digitale*) or any successor thereto acceptable to the Association.

26. "Incremental Operating Costs" means the reasonable incremental operating costs, based on Annual Work Plans and Budgets, incurred by the Recipient on account of Project implementation including: office equipment and supplies, maintenance of equipment, insurance costs, office administration costs, rental, consumables, accommodation, vehicle operation and maintenance costs, utilities, communication charges, per diems, travel allowances, and salaries of the Recipient's locally contracted staff within the PIU and the COS-PREA secretariat, but excluding salaries, fees, honoraria, bonuses, and any other salary supplements of members of the Recipient's civil service.
27. "NCRIC Legal Framework" means the Recipient's national legislation and/or regulation that shall: (a) establish the NCRIC as an (*établissement public à caractère administratif*), with an adequate structure, functions, terms of reference and resources satisfactory to the Association; and (b) grant it the capacity to, inter alia, implement activities under the Project.
28. "National Civil Registration and Identification Center" or "NCRIC" means *Centre National d'Etat Civil et d'Identité*, the Recipient's national center responsible for managing the central civil registry and the national identification databases and which is referred to in Part 1.1(a) of Schedule 1 to this Agreement.
29. "National Civilian Cybersecurity Strategy" or "NCCS" means the Recipient's national strategy designed to improve the security and resilience of national civilian cybersecurity infrastructures and services.
30. "Preparation Advance" means the advance referred to in Section 2.07(a) of the General Conditions, granted by the Association to the Recipient pursuant to the letter agreement signed on behalf of the Association and the Recipient on December 27, 2019, in respect of Preparation Advance No. V29950.
31. "Procurement Regulations" means, for purposes of paragraph 87 of the Appendix to the General Conditions, the "World Bank Procurement Regulations for IPF Borrowers", dated July 2016, revised November 2017 and August 2018.
32. "Project Implementation Unit" or "PIU" means the Recipient's implementation unit established pursuant to the Recipient's institutional arrangements, and referred to in Section I.A.3 of Schedule 2 to this Agreement.
33. "Project Implementation Manual" or "PIM" means the Recipient's Project implementation manual, referred to in Section I.B of Schedule 2 to this Agreement, as said manual may be amended from time to time with the prior written agreement of the Association, and such term includes any annexes or schedules to such manual.

34. "Selected Sectors" means the sectors identified, jointly, by the Recipient and the Association as the eligible sectors for strengthening the identity management system and government capacity to deliver services.
35. "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.
36. "Project Expenditures" means the actual expenditures reasonably incurred by the Recipient under Part 1.2(b) and Part 2.1(b) of the Project and set forth Categories (1) and (2) of the table set out in Section III of Schedule 2 to this Agreement under.
37. "Training" means the reasonable costs for training of persons involved in Project-supported activities, and attributable to seminars, workshops, and study tours, along with travel and subsistence allowances for training participants, course fees, services of trainers, rental of training facilities, preparation and reproduction of training materials, and other costs directly related to training preparation and implementation.
38. "Unique Identifier Number" or "UIN" means the unique number to be used to identify individuals, legal entities and localities within the Recipient's UIN System.
39. "Unique Identifier Numbers System" or "UIN System" means the Recipient's system, to be established, and which will eliminate duplicate functional registries by ensuring that citizens will provide standard information and documentation to the government only once.
40. "Verification Agency" means an entity, agency or consultant, acceptable to the Association, to be engaged by the Recipient for the purpose of certifying the achievement of PBCs in accordance with the provisions of Section I.E of Schedule 2 to this Agreement.
41. "Verification Protocol" means the Recipient's protocol, acceptable to the Association, setting forth the means by which the achievement of PBCs will be verified under the Project, as such Verification Protocol may be amended from time to time with the prior written agreement of the Association.
42. "Year 1" means the first full Fiscal Year of Project implementation, expected to be Fiscal Year 2021.
43. "Year 2" means the second full Fiscal Year of Project implementation, expected to be Fiscal Year 2022.

44. "Year 3" means the third full Fiscal Year of Project implementation, expected to be Fiscal Year 2023.

"Year 4" means the fourth full Fiscal Year of Project implementation, expected to be Fiscal Year 2024.