OFFICIAL DOCUMENTS

Administration Arrangement between the Government of Canada, as represented by the Minister for International Development (acting through the Department of Foreign Affairs, Trade and Development) and the International Bank for Reconstruction and Development and the International Development Association concerning the Ethiopia Productive Safety Net Project IV Multi-Donor Trust Fund (TF072631 parallel to original TF072448)

1. The International Bank for Reconstruction and Development and the International Development Association (collectively, the “Bank”) acknowledge that the Government of Canada, as represented by the Minister for International Development (acting through the Department of Foreign Affairs, Trade and Development) (the “Donor”, and together with the Bank, the “Participants” and each a “Participant”) agrees, subject to legislative appropriations, to provide the sum of seven million Canadian Dollars (CAD 7,000,000) (the “Contribution”) for the Ethiopia Productive Safety Net Project IV Multi-Donor Trust Fund (TF072631) (the “Trust Fund”) in accordance with the provisions of this Administration Arrangement. Other donors are also expected to contribute to the Trust Fund on the basis specified in the Annexes to this Administration Arrangement.

2. The Contribution will be used to finance the activities set forth in the “Ethiopia Productive Safety Net Project IV Multi-Donor Trust Fund Description” attached hereto as Annex 1, and will be administered by the Bank on behalf of the Donor in accordance with the provisions of this Administration Arrangement, including the “Standard Provisions” attached hereto as Annex 2.

3. The Donor will deposit the entire Contribution promptly following countersignature in the full amount of seven million Canadian dollars (CAD 7,000,000) from the Contributor’s fiscal year 2016/17 in the currency ("Contribution Currency") specified in Section 1 above into such bank account designated by the Bank upon submission of a payment request by the Bank (such deposit being an “Installment”).

4. When making any deposit, the Donor will instruct its bank to include in its deposit details information (remittance advice) field of its SWIFT deposit message, information indicating: the amount deposited, that the deposit is made by the Donor for TF072631 (Ethiopia Productive Safety Net Project IV Multi-Donor Trust Fund), and the date of the deposit (the “Deposit Instructions”). In addition, the Donor will provide a copy of the Deposit Instructions to the Bank’s Accounting Trust Funds Division by e-mail sent to tfremitadvice@worldbank.org or by fax sent to +1 (202) 614-1315.

5. Except with respect to the Deposit Instructions, any notice, request or other communication to be given or made under this Administration Arrangement will be in writing and delivered by mail, fax or e-mail to the respective Participant’s address specified below or at such other address as such Participant notifies in writing to the other Participant from time to time:

For the Bank (the “Bank Contact”):

Ms. Sarah Coll-Black
Senior Social Protection Specialist, GSPDR
The World Bank
Africa Avenue, Bole Road, Addis Ababa
Tel: +251.11.517.6000
Fax: +251.11.662.7717
E-mail: scollblack@worldbank.org
For the Donor (the “Donor Contact”):

Ms. Cathy Tremblay  
First Secretary (Development)  
Embassy of Canada, Addis Ababa  
Tel: +251.11.170.251

6. In the event any amounts are to be returned to the Donor under this Administration Arrangement, the Bank will transfer such amounts to the Donor, unless otherwise mutually decided with the Bank.

7. At the date of Bank’s signature of this Administration Arrangement, the Indirect Rate (as defined in Annex 1 to this Administration Arrangement) is 17%.

8. No member of the House of Commons of Canada will be admitted to any share or part of this Administration Arrangement or to any benefit arising therefrom.

9. No current or former public office holder or public servant of the Government of Canada who is not in compliance with Canada’s Conflict of Interest and Post-Employment Code for Public Office Holders or the Values and Ethics Code for the Public Service will derive a direct benefit from this Administration Arrangement.

10. Any transfer into the Trust Fund to be made under this Administration Arrangement is subject to there being an appropriation by the Parliament of Canada for the fiscal year in which such transfer is to be made. If the Donor’s appropriation is changed by the Parliament of Canada, the Donor may reduce the Contribution, or terminate this Administration Arrangement.

11. No offer, gift or payment, consideration or benefit of any kind, which constitutes an illegal or corrupt practice, has or will be made to anyone, either directly or indirectly, as an inducement or reward for the award or execution of this Administration Arrangement. Any such practice will be grounds for terminating this Administration Arrangement or taking any other corrective action as required.

12. All annexes hereto constitute an integral part of this Administration Arrangement, whose terms taken together will constitute the entire arrangement between the Donor and the Bank. Unless otherwise specified in an annex hereto, this Administration Arrangement may be amended only by written amendment between the Bank and the Donor; provided, however, that any annexes to this Administration Arrangement may be amended only by written amendment of all donors contributing to the Trust Fund.

13. It is understood that this Administration Arrangement, including any annexes, is not an international treaty and is not eligible for registration as a treaty under Article 102 of the United Nations, nor is it, in the Donor’s understanding, any other form of international agreement. It is an administrative arrangement between the Bank and the Donor.

14. All references made in the Annexes to “shall”, “Administration Agreement” and “Parties” will have the same meaning as the term “will”, “Administration Arrangement” and “Participants” herein. In addition, references in the Annexes to “agreements” or to tenses of the verb “to agree” will be deemed to constitute references to “decisions” or to tenses of the verb “to decide”.

2
15. Each of the Participants represents, by confirming its acceptance below, that it is authorized to enter into this Administration Arrangement and act in accordance with its provisions. The Bank and the Donor are requested to sign and date this Administration Arrangement, and upon possession by the Bank of this fully signed Administration Arrangement, this Administration Arrangement will become into effect as of the date of the last signature.

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
INTERNATIONAL DEVELOPMENT ASSOCIATION

By:

Name: Carolyn Turk

Title: Country Director for Ethiopia, Sudan and South Sudan

Date: November 4, 2016

GOVERNMENT OF CANADA
REPRESENTED BY THE MINISTER FOR INTERNATIONAL DEVELOPMENT (ACTING THROUGH THE DEPARTMENT OF FOREIGN AFFAIRS, TRADE AND DEVELOPMENT)

By:

Name: Kati Csaba

Title: Director, Ethiopia Development Program

Date: 2016/11/10
Ethiopia Productive Safety Net Project IV Multi-Donor Trust Fund Description

This Annex shall be applicable to and form an integral part of all administration agreements for the Trust Fund (collectively, the “Administration Agreements” and each an “Administration Agreement”) between the Bank and any entities that provide any funds to the Trust Fund (collectively, the “Donors”).

1. **Objectives**

The objective of the Trust Fund is to increase access to effective safety net and disaster risk management systems, and complementary livelihood and nutrition services for food insecure households in the Recipient’s rural areas through co-financing the Productive Safety Net Project IV.

2. **Activities**

Unless the context requires otherwise, the capitalized terms used in this Agreement have the meanings ascribed to them in the Financing Agreement or in this Agreement.

(a) “Beneficiaries” means an individual, or a household selected or to be selected to receive a Safety Net Transfer pursuant to the selection criteria set out in the Project Implementation Manual; and the term “Beneficiaries” means the plural thereof.

(b) “Financing Agreement” means the agreement, dated October 31, 2014, between the Recipient and the World Bank for financing the Productive Safety Net Project IV (Credit No. 5540 – ET).

(c) “Livelihood Transfer Grant” means a grant made or to be made by the Recipient to a Livelihood Transfer Grant Beneficiary pursuant to the eligibility criteria and governing procedures as set out in the Project Implementation Manual; and the term “Livelihood Transfer Grants” means the plural thereof.

(d) “Livelihood Transfer Grant Beneficiary” means an individual meeting the poverty threshold or vulnerability status as set out in the Project Implementation Manual; and the term “Livelihood Transfer Grant Beneficiaries” means the plural thereof.

(e) “MOA” means the Recipient’s Ministry of Agriculture or any successor thereto.

(f) “MOFED” means the Recipient’s Finance and Economic Development or any successor thereto.

(g) “MOLSA” means the Recipient’s Ministry of Labor and Social Affair or any successor thereto.

(h) “Operating Costs” means incremental costs incurred by the Project Implementing Agencies on account of the Project coordination, implementation and monitoring, including expenditures for vehicles operation and maintenance, office supplies and consumable, utilities, communication, translation and interpretation, bank charges, Project related travel, including per diem and accommodation, but excluding salaries of the Recipient’s civil servants, and other miscellaneous costs directly associated with the Project implementation, all based on periodic budgets acceptable to the World Bank.
(i) "Project Implementation Manual" means the manual for the Productive Safety Net Project IV, satisfactory to the World Bank, prepared and implemented by the Recipient in accordance with Section I. B. of Schedule 2 to the Financing Agreement.

(j) "Project Implementing Agencies" means, collectively, MOA, MOFED, and MOLSA and their counterparts at the lower levels, each of which shall implement their respective Project implementation activities pursuant to the requirements under the Financing Agreement and the Project Implementation Manual.

(k) "Public Works Sub-Project" means an activity to be implemented under Section 2.2, Part 2(b) of Annex I pursuant to the requirement of this Agreement and in accordance with the selection criteria and procedures set forth in the Project Implementation Manual.

(l) "Recipient" means the Federal Democratic Republic of Ethiopia.

(m) "Safety Net Transfer" means a safety net benefit to be provided to a Beneficiary under Section 2.2, Part 2(a) of Annex I in the form of cash, electronic payments, food vouchers, and/or food, all in accordance with the requirements and procedures set out in the Project Implementation Manual; and the term "Safety Net Transfers" means the plural thereof.

The activities (which may be described as "components" of "activities") to be financed by the Trust Fund are:

2.1 Bank-executed activities, for which the Bank has implementation responsibility:

Management and administration activities for the Trust Fund, including but not limited to, supporting Trust Fund related meetings; planning and executing work plans and budgets; managing communications and conducting outreach; disseminating lessons learned; reporting on progress; and monitoring and evaluating the activities.

2.2 Recipient-executed activities, for which one or more Recipients (as defined in Annex 1 and 2) have implementation responsibility:

Part 1: Social Protection and Disaster Risk Management Systems

Strengthening social protection and disaster risk management (DRM) systems through the transition from independent programs to a system of integrated social protection and DRM service delivery, including, inter alia:

(a) Supporting a single and harmonized registry and information management system to record Beneficiaries’ poverty and vulnerability status and services received under the Project at both federal and regional levels.

(b) Improving response mechanisms for food-insecure households with transitory needs and integrating disaster risk mitigation measures into community public works planning process, including development of early warning triggers for social protection and disaster risk mitigation interventions, together with harmonized planning and monitoring procedures for delivering social protection and disaster risk mitigation interventions.

(c) Improving appeals systems in the Recipient’s relevant agencies: (i) strengthening their grievance redress systems to resolve grievances of Beneficiaries, if any; and (ii) strengthening and standardizing the application of social accountability tools consistent with international good practice.
(d) Developing and implementing a comprehensive capacity building strategy and setting up of a National Capacity Building Facility to support institutionalized capacity and knowledge management at federal, regional, zonal, Woreda and Kebele levels, in the areas of both technical and human resources development.

Part 2: Productive Safety Net Transfers and Links to Livelihoods Services

Carrying out a program to deliver productive Safety Net Transfers and enhance households’ access to livelihoods services, through implementation of the following activities:

(a) Implementation of Safety Net Transfers in the form of cash, electronic payments, food vouchers, and/or food to chronically food insecure households; supporting effective response mechanisms that provide appropriate and timely resources to transitorily food insecure households in response to market and/or weather related shocks.

(b) Financing of community-based Public Works Sub-projects to develop sustainable community assets through participatory community planning processes; improving technical quality of public works through better planning, monitoring and evaluation for Public Works Sub-projects; and supporting awareness raising and behavioral change communications for nutrition, training for financial literacy, and use of ante-natal services for pregnant women.

(c) Enhancing community households’ access to complementary livelihoods services and opportunities through:

(i) the provision of information, training and capacity building to individuals and households to assist them in engaging in on-farm crop and livestock production or off-farm income generating activities; improve their labor and employment opportunities and develop necessary job skills; and improve their access to appropriate financial services;

(ii) the provision of support to training institutions and micro financial institutions to enable them to provide the services mentioned in sub-section (i) above; and

(iii) the provision of Livelihood Transfer Grants to selected Livelihood Transfer Grant Beneficiaries in communities to assist them in carrying out livelihood improvement activities.

Part 3: Institutional Capacity Building and Project Management Support

(a) Strengthening the capacity of Project Implementing Agencies at all levels to effectively implement the Project in areas such as planning, coordination, technical oversight of public works and livelihoods services, financial management, procurement, safeguards management, monitoring and evaluation; and financing of Operating Costs.

(b) Supporting the development and implementation of a performance management system at MOA and MOLSA which includes performance benchmarking and incentives for improving performance.
3. **Eligible Expenditures**

3.1 For Bank-executed activities, the Trust Fund funds may be used to finance:

(a) staff costs (excluding short term consultants and temporaries, and also excluding extended term consultants and temporaries);
(b) extended term consultants and temporaries;
(c) short-term consultants and temporaries;
(d) contractual services;
(e) equipment and office premises lease cost;
(f) media, workshops, conferences and meetings; and
(g) travel expenses.

3.2 For the purposes of this section: (i) “staff costs (excluding short term consultants and temporaries, and also excluding extended term consultants and temporaries)” includes salaries, benefits and indirect rates charged to the Trust Fund as applicable under Bank policies and procedures; (ii) “extended term consultants and temporaries” includes fees, benefits and indirect rates charged to the Trust Fund as applicable under Bank policies and procedures; and (iii) “short term consultants and temporaries” includes fees and indirect rates charged to the Trust Fund as applicable under Bank policies and procedures.

3.3 The “Indirect Rate” means the indirect rate, defined as a percentage of personnel costs and available at the World Bank’s Donor center secure website, as such rate may be revised from time to time by the Bank and applied to this Trust Fund, in accordance with its policies and procedures.

3.4 For Recipient-executed activities, the Trust Fund funds may be used to finance eligible expenditures in accordance with the Bank’s applicable policies and procedures.

4. **Taxes**

4.1 The foregoing activities and categories of expenditures may include the financing of taxes in accordance with the Bank’s applicable policies and procedures.
Standard Provisions

This Annex shall be applicable to and form an integral part of all Administration Agreements between the Bank and the respective Donors.

1. **Administration of the Contributions**

1.1 The Bank shall be responsible only for performing those functions specifically set forth in this Administration Agreement, including its annexes, and shall not be subject to any other duties or responsibilities to the Donors, including, without limitation, any duties or obligations that might otherwise apply to a fiduciary or trustee under general principles of trust or fiduciary law. Nothing in this Administration Agreement shall be considered a waiver of any privileges or immunities of the Bank under its Articles of Agreement or any applicable law, all of which are expressly reserved.

1.2 Each Donor’s Contribution (collectively, the “Contributions”) shall be administered in accordance with the Bank’s applicable policies and procedures, as the same may be amended from time to time, including its procurement, financial management, disbursement and safeguard policies, its framework to prevent and combat fraud and corruption and its screening procedures to prevent the use of Bank resources to finance terrorist activity, in line with the Bank’s obligations to give effect to the relevant decisions of the Security Council taken under Chapter VII of the Charter of the United Nations. The Donors acknowledge that this provision does not create any obligations of the Bank under the anti-terrorist financing and asset control laws, regulations, rules and executive orders of an individual member country that may apply to a Donor.

2. **Management of the Contributions**

2.1 The funds deposited in the Trust Fund shall be accounted for as a single trust fund and shall be kept separate and apart from the funds of the Bank. The funds deposited in the Trust Fund may be commingled with other trust fund assets maintained by the Bank. The Bank, in its capacity as trustee, has legal title to the funds deposited in the Trust Fund.

2.2 The currency in which the funds in the Trust Fund shall be held is United States Dollars (the “Holding Currency”).

2.3 Donors agree to deposit their Contributions in the Contribution Currency stated in their respective Administration Agreements. In the case of deposits received in a Contribution Currency other than the Holding Currency, promptly upon the receipt of such amounts and the accompanying Deposit Instructions, the Bank shall convert such amounts into the Holding Currency at the exchange rate obtained by the Bank on the date of the conversion. Where deposits prove to be insufficient to complete activities as a result of exchange rate fluctuations, neither the Bank nor the Donor shall bear any responsibility for providing any additional financing.

2.4 The funds deposited in the Trust Fund may be freely exchanged by the Bank into other currencies as may facilitate their disbursement at the exchange rate obtained by the Bank on the date of the conversion.

2.5 The Bank shall invest and reinvest the funds deposited in the Trust Fund pending their disbursement in accordance with the Bank’s applicable policies and procedures for the investment of trust funds administered by the Bank. The Bank shall credit all income from such investment to the Trust Fund to be used for the same purposes as the Contributions.
3. **Accounting and Financial Reporting**

3.1 The Bank shall maintain separate records and ledger accounts in respect of the funds deposited in the Trust Fund and disbursements made therefrom.

3.2 The Bank shall furnish to the Donors current financial information relating to receipts, disbursements and fund balance in the Holding Currency with respect to the Contributions via the World Bank’s Trust Funds Donor Center secure website which will be updated quarterly. Within six (6) months after all commitments and liabilities under the Trust Fund have been satisfied and the Trust Fund has been closed, the final financial information relating to receipts, disbursements and fund balance in the Holding Currency with respect to the Contributions shall be made available to the Donors via the World Bank’s Trust Funds Donor Center secure website.

3.3 The Bank shall provide to the Donors via the World Bank’s Trust Fund Donor Center secure website, within six (6) months following the end of each Bank fiscal year, an annual single audit report, comprising (i) a management assertion together with an attestation from the Bank’s external auditors concerning the adequacy of internal control over cash-based financial reporting for all cash-based trust funds as a whole; and (ii) a combined financial statement for all cash-based trust funds together with the Bank’s external auditor’s opinion thereon. The cost of the single audit shall be borne by the Bank.

3.4 If a Donor wishes to request, on an exceptional basis, a financial statement audit by the Bank’s external auditors of the Trust Fund, the Donor and the Bank shall first consult as to whether such an external audit is necessary. The Bank and the Donor shall agree on the appropriate scope and terms of reference of such audit. Following agreement on the scope and terms of reference, the Bank shall arrange for such external audit. The costs of any such audit, including the internal costs of the Bank with respect to such audit, shall be borne by the requesting Donor.

3.5 The Bank shall make available to the Donors copies of all financial statements and auditors’ reports received by the Bank from Recipients pursuant to any Grant Agreements (as defined below) in accordance with the Bank’s Access to Information Policy.

4. **Progress Reporting**

4.1 The Bank shall provide the Donors with annual reports on the progress of activities financed by the Contributions. Within six (6) months of the End Disbursement Date (as defined below), the Bank shall furnish to the Donors a final report on the activities financed by the Trust Fund.

4.2 Any Donor may review or evaluate activities financed by the Trust Fund at any time up to six (6) months following the End Disbursement Date. The Donor and the Bank shall agree on the scope and conduct of such review or evaluation, and the Bank shall provide all relevant information within the limits of the Bank’s applicable policies and procedures. All associated costs, including any costs incurred by the Bank, shall be borne by the Donor. It is understood that any such review or evaluation will not constitute a financial, compliance or other audit of the Trust Fund.

5. **Disbursement; Cancellation; Refund**

5.1 It is expected that the funds deposited in the Trust Fund will be fully disbursed by the Bank by December 31, 2021 (the “End Disbursement Date”). The Bank shall only disburse funds deposited in the Trust Fund for the purposes of this Administration Agreement (other than returns to Donors) after such date to the extent such date is changed in accordance with amendments made to the Administration Agreements of all the Donors. Following the End Disbursement Date, the Bank shall return any remaining balance of the Trust Fund
to each Donor in the Holding Currency in the manner specified in its respective Administration Agreement on a pro rata basis with regard to the total funds deposited in the Trust Fund by such Donor relative to the total funds deposited in the Trust Fund by all Donors, all calculated as Holding Currency amounts.

5.2 Any Donor may cancel all or part of such Donor’s pro rata share, and the Bank may cancel all or any Donors’ pro rata shares, upon three (3) months’ prior written notice, of any Contributions (paid and not yet paid) that are not committed pursuant to any agreements entered into between the Bank and any consultants and/or other third parties for the purposes of this Administration Agreement, including any Grant Agreements, prior to the receipt of such notice. In the event of a cancellation, the Bank shall return to the Donor its pro rata share in the Holding Currency as specified in paragraph 2.2. of this Annex 2; unless otherwise agreed between the Bank and the Donor.

6. Disclosure; Dispute Resolution

6.1 The Bank shall disclose the Administration Agreements and related information on this Trust Fund in accordance with the Bank’s Policy on Access to Information. By entering into Administration Agreements, the Donors consent to such disclosure of their respective Administration Agreements and such related information.

6.2 The Donors and the Bank shall use their best efforts to amicably settle any dispute, controversy, or claim arising out of or relating to the Administration Agreements.

7. Grants to Recipients

7.1 The Bank shall, as administrator of the Trust Fund on behalf of the Donors, enter into one or more grant agreements (the “Grant Agreements”) with recipients (the “Recipients”) consistent with the purposes of this Administration Agreement and on the terms and conditions set forth in the Grant Agreements. Grant Agreements may be entered into up to the maximum amount of the Contributions that all Donors have agreed to make available under the Administration Agreements between the Bank and the Donors.

7.2 The Bank shall be responsible for the supervision of the activities financed under any Grant Agreements. Subject to the consent of any relevant Recipients, representatives of the Donors may be invited by the Bank to participate in Bank supervision missions related to the Trust Fund.

7.3 The Bank shall promptly inform the Donors of any significant modification to the terms of any Grant Agreements and of any contractual remedies that are exercised by the Bank under any Grant Agreements. To the extent practicable, the Bank shall afford the Donors the opportunity to exchange views before effecting any such modification or exercising any such remedy.

8. Trust Fund Fee

8.1 The Bank shall calculate a fee each time funds (the “Grant Amount”) from the Trust Fund become committed under a Grant Agreement. Such commitment shall occur when such Grant Agreement is fully countersigned (the “Calculation Date”). The fee so calculated by the Bank shall be based on the cumulative total of funds from the Trust Fund committed under all Grant Agreements that have been fully countersigned on or prior to the Calculation Date (the “Cumulative Grant Total”). The calculated fee shall depend on where the Cumulative Grant Total stands as the Grant Amount is added and shall be determined in accordance with the following schedule:
(i) 5% of any portion of the Grant Amount that results in a Cumulative Grant Total below or equal to US$ 50 million or equivalent; plus
(ii) 4% of any portion of the Grant Amount that results in a Cumulative Grant Total above US$ 50 million or equivalent and below or equal to US$ 500 million or equivalent; plus
(iii) 3% of any portion of the Grant Amount that results in a Cumulative Grant Total above US$ 500 million or equivalent and below or equal to US$ 1 billion or equivalent; plus
(iv) 2% of any portion of the Grant Amount that results in a Cumulative Grant Total above US$ 1 billion or equivalent.

8.2 Following each Calculation Date, the Bank shall deduct from the Trust Fund account, TF072631, and retain for its own account, the fee as set forth above. Grant Amounts may not exceed the balance of uncommitted funds in the Trust Fund net of the related fee.