Financing Agreement

(Ethiopia COVID-19 Emergency Response Project)

between

FEDERAL DEMOCRATIC REPUBLIC OF ETHIOPIA

and

INTERNATIONAL DEVELOPMENT ASSOCIATION
FINANCING AGREEMENT

AGREEMENT dated as of the Signature Date between the FEDERAL DEMOCRATIC REPUBLIC OF ETHIOPIA (“Recipient”) and the 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 thirty million three hundred thousand Special Drawing Rights (SDR 30,300,000 (“Grant”); and

(b) an amount equivalent to thirty million three hundred thousand Special Drawing Rights (SDR 30,300,000) (“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 The Service Charge is three-fourths of one percent (3/4 of 1%) per annum on the Withdrawn Credit Balance.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 April 15 and October 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.
2.08. The Payment Currency is Dollar.

**ARTICLE III — PROJECT**

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

**ARTICLE IV — TERMINATION**

4.01. The Effectiveness Deadline is the date ninety (90) days after the Signature Date.

4.02. For purposes of Section 10.05(b) of the General Conditions, the date on which the obligations of the Recipient under this Agreement (other than those providing for payment obligations) shall terminate is twenty (20) years after the Signature Date.

**ARTICLE V — REPRESENTATIVE; ADDRESSES**

5.01. The Recipient’s Representative is its minister responsible for finance.

5.02. For purposes of Section 11.01 of the General Conditions:

(a) the Recipient’s address is:

Ministry of Finance  
P. O. Box 1905  
Addis Ababa  
Federal Democratic Republic of Ethiopia

Cable: MINFIN  
Telex: 21147  
Facsimile: (251-111) 551355

(b) the Recipient’s Electronic Address is:

Facsimile:  
(251-111) 551355
5.03. For purposes of Section 11.01 of the General Conditions:

(a) the Association’s address is:

International Development Association
1818 H Street, N.W.
Washington, D.C. 20433
United States of America; and

(b) the Association’s Electronic Address is:

Cable: Telex: Facsimile:

INDEVAS 248423 (MCI) 1-202-477-6391
Washington, D.C

AGREED as of the Signature Date.

FEDERAL DEMOCRATIC REPUBLIC OF ETHIOPIA

By:

[Signature]

H.E. Ato Ahmed Shide
Minister of Finance

Date: 03–Apr–2020

INTERNATIONAL DEVELOPMENT ASSOCIATION

By:

[Signature]

Carolyn Turk
Country Director for Ethiopia, Sudan and South Sudan
Africa Region

Date: 03–Apr–2020
SCHEDULE 1

Project Description

The objective of the Project is to prevent, detect and respond to the threat posed by COVID-19 and strengthen national systems for public health preparedness in Ethiopia.

The Project constitutes a phase of the MPA Program consists of the following parts:

**Part 1: Medical Supplies and Equipment**

Support for the implementation of priority activities under the Emergency Preparedness and Response Plan, related to *inter alia*, case management and infection prevention and control, including through the provision of: (a) drugs, medical supplies and equipment for case management and prevention; and (b) laboratory equipment, reagents, testing kits and other consumable supplies for laboratories.

**Part 2: Preparedness, Capacity Building and Training**

Strengthening disease preparedness, coordination and capacity including through support for: (a) coordination at national, sub-national, regional and cross-country levels; (b) operationalization of emergency operation centers; (c) supportive supervision for subnational level diseases preparedness activities; (d) Operating Costs; (e) health screening at ports of entry; (f) strengthening call and hotline centers; (g) strengthening public health emergency management and community and event-based surveillance for COVID-19; and (h) building diagnostic capacity for COVID-19 at the subnational level.

**Part 3: Community Discussions and Information Outreach**

Support for: (a) development and production of risk communication and community engagement materials; (b) undertaking of community engagement and social mobilization for target audiences (c) behavioral and sociocultural risk factor assessments; (d) establishment of an information and communication tools production center; (e) communication monitoring and evidence generation; and (f) human resource capacity for risk communication.

**Part 4: Quarantine, Isolation and Treatment Centers**

Establishment (through the rehabilitation of existing facilities or setting up of temporary structures) and equipping of quarantine, isolation and treatment centers, including the provision of nutrition and dignity kits.
Part 5: Project Implementation and Monitoring

Support for Project implementation and management including: (a) support for procurement, financial management, environmental and social risk management, monitoring and evaluation, and reporting; (b) recruitment and Training of Grants Management Unit and EPHI staff and technical consultants; and (c) Operating Costs.
SCHEDULE 2

Project Execution

Section I. Implementation Arrangements

A. Institutional Arrangements

1. Emergency Preparedness and Response Plan

Without limiting any other provision of this Agreement, the Recipient shall:
(a) ensure that the Project is carried out in accordance with the EPRP, and
(b) maintain, at all times during the implementation of the Project, adequate public health emergency coordination and management arrangements, all in a manner acceptable to the Association.

2. Project Management: Ministry of Health and EPHI

(a) The Recipient shall: (i) maintain, at all times during the implementation of the Project, the Grants Management Unit within the Ministry of Health, with composition, powers, functions, staffing, facilities and other resources satisfactory to the Association; and (ii) designate the Grants Management Unit to be responsible for day-to-day management and implementation of the Project, including inter alia, preparation of work plans, environmental and social safeguards management, financial management, procurement, monitoring and evaluation, and reporting.

(b) The Recipient shall: (i) maintain, at all times during the implementation of the Project, EPHI, with composition, powers, functions, staffing, facilities and other resources satisfactory to the Association, all with qualifications, experience and terms of reference acceptable to the Association; and (ii) designate EPHI to be responsible for the provision of technical and implementation support for the Project.

(c) Without limiting the foregoing, the Recipient shall, by no later than one (1) month after the Effective Date, recruit a finance officer, a procurement officer, and an environmental and social safeguards officer for the Grants Management Unit, in each case, with qualifications, experience and terms of reference acceptable to the Association.

B. Implementation Covenants

1. Project Implementation Manual

(a) The Recipient shall, by no later than one (1) month after the Effective Date, prepare and adopt a Project implementation manual (“Project
Implementation Manual”) containing detailed guidelines and procedures for the implementation of the Project, including with respect to: administration and coordination, monitoring and evaluation, financial management, procurement and accounting procedures, environmental and social safeguards, corruption and fraud mitigation measures, a grievance redress mechanism, personal data collection and processing in accordance with the applicable WHO and national guidelines, roles and responsibilities for Project implementation, and such other arrangements and procedures as shall be required for the effective implementation of the Project, in form and substance satisfactory to the Association.

(b) The Recipient shall carry out the Project in accordance with the Project Implementation Manual.

(c) The Recipient shall ensure that the Project Implementation Manual is not amended, suspended, repealed or abrogated without the prior written approval of the Association.

(d) In the event of any conflict between the provisions of the Project Implementation Manual and, this Agreement, the provisions of this Agreement shall prevail.

2. **Work Plans and Budget**

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

(a) by no later than one (1) month after the Effective Date, prepare a draft work plan and budget for Project implementation, setting forth, *inter alia*: (i) a detailed description of the planned activities, including any proposed conferences and Training, under the Project for the period covered by the plan; (ii) the sources and proposed use of funds therefor; (iii) procurement and environmental and social safeguards arrangements therefor, as applicable 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) promptly furnish the draft work plan and budget to the Association for its review, and promptly thereafter finalize the draft work plan and budget, taking into account the Association’s comments thereon; and

(c) thereafter adopt and carry out such draft work plan and budget for the relevant period as shall have been agreed with the Association (“Work Plan and Budget”), as such plan may be subsequently revised or updated with the prior written agreement of the Association.
C. 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 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, subcontractors, and supervising entities, as applicable, 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.

Section II. Project Monitoring, Reporting and Evaluation

The Recipient shall furnish to the Association each Project Report not later than forty five (45) days 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:

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount of the Credit Allocated (expressed in SDR)</th>
<th>Amount of the Grant Allocated (expressed in SDR)</th>
<th>Percentage of Expenditures to be Financed (inclusive of Taxes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Goods, works, non-consulting services, and consulting services, Operating Costs and Training</td>
<td>30,300,000</td>
<td>30,300,000</td>
<td>100%</td>
</tr>
<tr>
<td>TOTAL AMOUNT</td>
<td>30,300,000</td>
<td>30,300,000</td>
<td></td>
</tr>
</tbody>
</table>
B. **Withdrawal Conditions; Withdrawal Period**

1. Notwithstanding the provisions of Part A above, no withdrawal shall be made for payments made prior to the Signature Date, except that withdrawals up to an aggregate amount not to exceed SDR 12,120,000 under the Credit and SDR 12,120,000 under the Grant may be made for payments made prior to this date but on or after December 15, 2019, for Eligible Expenditures.

2. The Closing Date is June 30, 2021.
SCHEDULE 3

Repayment Schedule

<table>
<thead>
<tr>
<th>Date Payment Due</th>
<th>Principal Amount of the Credit repayable (expressed as a percentage)*</th>
</tr>
</thead>
<tbody>
<tr>
<td>On each April 15 and October 15, commencing April 15, 2026 to and including October 15, 2057</td>
<td>1.5625%</td>
</tr>
</tbody>
</table>

* The percentages represent the percentage of the principal amount of the Credit to be repaid, except as the Association may otherwise specify pursuant to Section 3.05(b) of the General Conditions.
APPENDIX

Definitions

1. “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.

2. “Category” means a category set forth in the table in Section III.A of Schedule 2 to this Agreement.


4. “Emergency Preparedness and Response Plan” and “EPRP” mean the Recipient’s emergency preparedness and response plan for COVID-19, dated February 1, 2020, and acceptable to the Association, as said document may be modified from time to time, and such term includes all schedules and annexes to said document.

5. “Environmental and Social Commitment Plan” or “ESCP” means the environmental and social commitment plan for the Project, dated March 13, 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.

6. “Environmental and Social Management Framework” means the environmental and social management framework prepared and adopted by the Recipient and to be updated for purposes of the Project in accordance with the ESCP and satisfactory to the Association, dated May 2019, and disclosed in-country on July 3, 2019, and on the Association’s website on July 8, 2019, setting out the principles, rules, guidelines and procedures to screen and assess the potential adverse environmental and social risks and impacts (including on physical cultural resources and health and safety issues) of Project activities, including the risks of gender-based violence and sexual exploitation and abuse, adopt measures to avoid, reduce, mitigate or offset environmental and social adverse risks and impacts, including measures that endeavor to prevent and respond to gender-based violence and sexual exploitation and abuse, procedural, budget and institutional arrangements and actions needed to implement these measures, and information on the agency or agencies responsible for addressing the Projects’ risks and impacts; as well as for the carrying out of environmental and social audits and for the preparation of site-specific ESIAs and ESMPs, as such framework may be
amended by the Recipient from time to time, with the prior written agreement of the Association.


8. “EPHI” means the Ethiopian Public Health Institute, established pursuant to the Ethiopian Public Health Institute Establishment Council of Ministers Regulation No. 301/2013, or any successor thereto.


10. “Grants Management Unit” means the Grants Management Unit within the Ministry of Health, or any successor thereto.

11. “Ministry of Health” means the Recipient’s Ministry of Health, or any successor thereto.

12. “MPA Program” means the global emergency multiphase programmatic approach program designed to assist countries to prevent, detect and respond to the threat posed by COVID-19 and strengthen national systems for public health preparedness.

13. “Operating Costs” means the reasonable incremental expenses incurred by the Recipient on account of Project implementation, including costs related to audits, office equipment and supplies, vehicle operation and maintenance, shipping costs, office rentals, communication and insurance costs, office administration costs, bank charges, utilities, transport costs, travel, per diem and supervision costs, and
salaries of contracted employees, but excluding salaries of officials of the Recipient’s civil service.


15. “Project Implementation Manual” means the manual referred to in Section I.B.1 of Schedule 2 to this Agreement, as such manual may be amended by the Recipient from time to time, with the prior written approval of the Association.

16. “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.

17. “Training” means the reasonable costs associated with training under the Project, based on the relevant Work Plan and Budget, and attributable to study tours, training courses, seminars, workshops and other training activities, not included under service providers’ contracts, including costs of training materials, space and equipment rental, travel, accommodation and per diem costs of trainees and trainers, trainers’ fees, and other training related miscellaneous costs.

18. “WHO” means the World Health Organization, the specialized agency of the United Nations established pursuant to the Constitution of the World Health Organization, dated July 22, 1946, as amended from time to time

19. “Work Plan and Budget” has the meaning set forth in Section I.B.2 of Schedule 2 to this Agreement.