Grant Agreement

(Co-financing of Productive Safety Net IV Project)

between

FEDERAL DEMOCRATIC REPUBLIC OF ETHIOPIA

and

INTERNATIONAL DEVELOPMENT ASSOCIATION
(acting as administrator of the Ethiopia Productive Safety Net Project IV Multi-Donor Trust Fund)

Dated December 4, 2015
GRANT NUMBER TF0A1426

GRANT AGREEMENT

AGREEMENT dated December 4, 2015, entered into between the FEDERAL DEMOCRATIC REPUBLIC OF ETHIOPIA ("Recipient") and the INTERNATIONAL DEVELOPMENT ASSOCIATION ("World Bank"), acting as administrator of the Ethiopia Productive Safety Net Project IV Multi-Donor Trust Fund.

The Recipient and the World Bank hereby agree as follows:

Article I
Standard Conditions; Definitions


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

Article II
The Project

2.01. The Recipient declares its commitment to the objectives of the project described in Schedule 1 to this Agreement ("Project"). To this end, the Recipient shall carry out the Project through the Project Implementing Agencies in accordance with the provisions of Article II of the Standard Conditions.

2.02. Without limitation upon the provisions of Section 2.01 of this Agreement, and except as the Recipient and the World Bank shall otherwise agree, the Recipient shall ensure that the Project is carried out in accordance with the provisions of Schedule 2 to this Agreement.

Article III
The Grant

3.01. The World Bank agrees to extend to the Recipient, on the terms and conditions set forth or referred to in this Agreement, a grant in an amount equal to ten million four hundred thirty-two thousand six hundred and fifteen United States Dollars ($10,432,615) ("Grant") to assist in financing the Project.

3.02. The Recipient may withdraw the proceeds of the Grant in accordance with Section IV of Schedule 2 to this Agreement.
3.03. The Grant is funded out of the abovementioned trust fund for which the World Bank receives periodic contributions from the donors to the trust fund. In accordance with Section 3.02 of the Standard Conditions, the World Bank's payment obligations in connection with this Agreement are limited to the amount of funds made available to it by the donors under the abovementioned trust fund, and the Recipient's right to withdraw the Grant proceeds is subject to the availability of such funds.

Article IV
Additional Remedies

4.01. The Additional Event of Suspension referred to in Section 4.02 (k) of the Standard Conditions consists of the following, namely that a situation has arisen which shall make it improbable that the Program or a significant part thereof will be carried out.

Article V
Recipient's Representative; Addresses

5.01. The Recipient's Representative referred to in Section 7.02 of the Standard Conditions is its Minister of Finance and Economic Development.

5.02. The Recipient's Address referred to in Section 7.01 of the Standard Conditions is:

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

Telex: 21147
Facsimile: (251-11) 1551355

5.03. The World Bank's Address referred to in Section 7.01 of the Standard Conditions is:

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

Telex: 248423 (MCI) or 64145 (MCI)
Facsimile: 1-202-477-6391
AGREED at Addis Ababa, Federal Democratic Republic of Ethiopia, as of the day and year first above written.

FEDERAL DEMOCRATIC REPUBLIC OF ETHIOPIA

By

INTERNATIONAL DEVELOPMENT ASSOCIATION
(acting as administrator of the Ethiopia Productive Safety Net Project IV Multi-Donor Trust Fund)

By

Name: ABDULAZIZ MOHAMMED
Title: Minister

Name: Carolyn Turk
Title: Country Director
SCHEDULE 1

Project Description

The objective of the Project 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.

The Project consists of the following parts:

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 MOANR and MOLSA which includes performance benchmarking and incentives for improving performance.
SCHEDULE 2

Project Execution

Section I. Institutional and Other Arrangements

A. Institutional Arrangements

1. The Recipient shall maintain at all times during the Project implementation:
   
   (a) a Joint Strategic Oversight Committee with functions, composition and resources acceptable to the Association, to be responsible for the overall strategic oversight for Project implementation;
   
   (b) a Coordination and Management Committee with functions, composition and resources acceptable to the Association, to be responsible for coordination and overall management of Project implementation;
   
   (c) Joint Technical Committees, with functions, composition and resources acceptable to the Association, to be responsible for providing technical support for implementing respective Project components; and
   
   (d) the DRMFSS within MOANR with the number of staff, terms of reference and resources acceptable to the Association, to provide day-to-day coordination and support to the Project Implementing Agencies at all levels in performing their respective Project implementation activities.

2. The Recipient shall ensure that adequate implementation arrangements, satisfactory to the Association, have been established and thereafter maintained at all times during the Project implementation at regional, woreda, kebele and community level, as such implementation arrangements shall be further detailed in the Project Implementation Manual.

3. Recipient, through MOFEC, shall enter into a memorandum of understanding with the Regional Cabinet, to set out the responsibilities of the Regional Cabinet to oversee the allocation and actual use of the Financing proceeds at the regional and Woreda levels, prior to disbursing the Financing proceeds to said Region for financing Project activities in the Region.

B. Project Documents

1. The Recipient shall cause the Project Implementing Agencies to implement the Project in accordance with the following:
(a) a Project Implementation Manual, setting forth rules, methods, guidelines, and procedures for the carrying out of the Project, including, *inter alia*:

(i) detailed description of Project and institutional arrangements for implementing the Project;

(ii) eligibility criteria and procedures to be applied for selection of Beneficiaries for receiving Safety Net Transfers, as well as schedules and modalities of delivering Safety Net Transfers;

(iii) the operating procedures governing Public Works Sub-projects, including, *inter alia*, specific criteria for Public Works Sub-projects to be eligible for financing under the Project, selection criteria for Beneficiaries to participate in Public Works Sub-projects; and guidelines for selection, approval, implementation, monitoring and evaluation of Public Works Sub-projects;

(iv) the operating procedures governing Livelihood Transfer Grants and Livelihood Transfer Grant Sub-projects, including, *inter alia*, the eligibility criteria of Livelihood Transfer Grant Beneficiaries, guidelines for selection, approval, implementation, monitoring, and evaluation of Livelihood Transfer Grant Sub-projects, and the terms and conditions for the Livelihood Transfer Grant Agreements;

(v) the Environmental and Social Management Framework, Resettlement Policy Framework, and Enhanced Social Assessment and Consultation;

(vi) monitoring, evaluation, reporting, and governance procedures for the Project; and

(vii) disbursement, financial management, auditing and procurement procedures for the Project;

(b) a Commodity Management Procedure Manual, including, *inter alia*:

(i) guidelines and procedures for management and handling of food items financed under the Project;
(ii) reporting requirements and related reporting forms for transfer and delivery of food items; and

(iii) auditing requirements for food items and their reporting schedules.

2. In the event that any provision of the Project Implementation Manual and/or the Commodity Management Procedure Manual shall conflict with any provision of this Agreement, the provisions of this Agreement shall prevail. The Recipient shall not amend the Project Operations Manual and/or the Commodity Management Procedure Manual without the Association's prior written approval.

C. Environmental and Social Safeguards

1. The Recipient shall cause the Project Implementing Agencies to carry out the Project in accordance with the ESMF, RPF, and Enhanced Social Assessment and Consultation, and any other Safeguard Document prepared or to be prepared by the Recipient in accordance with sub-paragraph 2 below, in a manner satisfactory to the Association.

2. Whenever an ESMP and/or RAP shall be required for any proposed Public Works Sub-project in accordance with the provisions of the ESMF and/or the RPF, the Recipient shall:

(a) prior to the commencement of such Public Works Sub-project, proceed to have an ESMP satisfactory to the Association: (i) prepared in accordance with the provisions of the ESMF; and (ii) thereafter adopted and disclosed, in a manner acceptable to the Association;

(b) prior to the commencement of such Public Works Sub-project, proceed to a RAP: (i) prepared in accordance with the provisions of the RPF; (ii) furnished to the Association for review and approval; and (iii) thereafter adopted and disclosed as approved by the Association, in a manner acceptable to the Association;

(c) take such measures as shall be necessary or appropriate to ensure compliance with the requirements of such ESMP and/or RAP; and

(d) in the case of any resettlement activity under the Public Works Sub-project involving Affected Persons, ensure that no displacement (including restriction of access to legally designated parks and protected areas) shall occur before necessary resettlement measures consistent with the relevant RAP have been executed, including, in the case of displacement, full
payment to Affected Persons of compensation and of other assistance required for relocation, prior to displacement.

3. The Recipient shall, prior to expanding Project activities to any new Woreda: (i) update, as deemed necessary by the Association based on social screenings for said Woreda, the Enhanced Social Assessment and Consultation for vulnerable and underserved groups as defined in said Enhanced Social Assessment and Consultation; and (ii) thereafter ensure that activities in said Woreda are carried out in accordance with the provisions of the updated Enhanced Social Assessment and Consultation.

4. The Recipient shall not amend, abrogate or waive, or permit to be amended, abrogated or waived, the Enhanced Social Assessment and Consultation, ESMF, and RPF and any Safeguard Document adopted in accordance with the provisions of paragraph 2 of this Part C, unless the Association has provided its prior approval thereof in writing, and the Recipient has complied with the same consultation and disclosure requirements as applicable to the original adoption of the said instruments.

5. Without limitation on its other reporting obligations under this Agreement, the Recipient through MOANR shall collect, compile and submit to the Association each calendar semester (or at such other frequency as may be agreed with the Association) consolidated reports on the status of compliance with the Enhanced Social Assessment and Consultation, ESMF, the RPF, and any Safeguard Documents prepared for the Project, as applicable, giving details of: (a) measures taken in furtherance of the said instruments; (b) conditions, if any, which interfere or threaten to interfere with the smooth implementation of the said measures; and (c) remedial measures taken or required to be taken to address such conditions.

D. Anti-Corruption

The Recipient shall ensure that the Project is carried out in accordance with the provisions of 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 (“Anti-Corruption Guidelines”).

E. Public Works Sub-projects

1. The Recipient shall appraise, review, approve, and supervise each Public Works Sub-project in accordance with the criteria, procedures and requirements set out in the Project Implementation Manual, including, inter alia, the following criteria for a proposed Public Works Sub-project to be eligible for financing under the Project:

   (a) the Public Works Sub-project shall be for the carrying out of labor intensive activities, including, without limitation, watershed management,
soil and water conservation, road construction and rehabilitation, construction and rehabilitation of small community managed irrigation schemes, and the improvement of basic social service delivery;

(b) the Public Works Sub-projects shall be identified and prioritized in the respective community development plan;

(c) the proposed Public Works Sub-project is in compliance with the environmental standards set out in the ESMF, and with all applicable laws and regulations of the Recipient relating to environmental protection; an environmental screening has been carried out for the proposed Public Works Sub-project in accordance with principles set forth in the ESMF; and if said environmental screening has concluded that an ESMP satisfactory to the Association is required, said ESMP has been prepared by the Recipient for implementing the proposed Public Works Sub-project;

(d) if the proposed Public Works Sub-project involves involuntary acquisition of land, or involuntary restriction of access to legally designated parks and protected areas, a RAP has been prepared in accordance with the principles set out in the RPF and said RAP has been approved by the Association for implementing the proposed Public Works Sub-project.

2. Every year during the Project implementation period the Recipient shall prepare and furnish to the Association for its review and approval an Annual Public Works Plan which shall include the list of Public Works Sub-projects selected in accordance with the criteria, procedures and requirements set forth in the Project Implementation Manual and proposed to be financed during the respective annual period. Such Annual Public Works Plans shall be furnished to the Association not later than one month prior to commencing the selected Public Works Sub-projects in the respective fiscal year of the Recipient.

F. Safety Net Transfers

The Recipient shall select Beneficiaries, and implement and supervise Safety Net Transfers in accordance with the criteria, requirements and procedures set out in the Project Implementation Manual.

G. Livelihood Transfer Grants

1. The Recipient shall select and approve Livelihood Transfer Grant Beneficiaries in accordance with the criteria and procedures set forth in the Project Implementation Manual.
2. The Recipient shall review and approve Livelihood Transfer Grant Sub-projects in accordance with the criteria and procedures set out in the Project Implementation Manual. The Recipient shall only make the proceeds of the Livelihood Transfer Grant available to a Livelihood Transfer Grant Beneficiary after the Recipient has entered into a Livelihood Transfer Grant Agreement with the Livelihood Transfer Grant Beneficiary on terms and conditions acceptable to the Association, which shall include the Recipient’s right to:

(a) suspend or terminate the right of the Livelihood Transfer Grant Beneficiary to use the proceeds of the Livelihood Transfer Grant, or obtain a refund of all or any part of the amount of the said Grant, upon the Livelihood Transfer Grant Beneficiary’s failure to perform any of its obligations under the Livelihood Transfer Grant Agreement; and

(b) require each Livelihood Transfer Grant Beneficiary to:

(i) carry out its respective Livelihood Transfer Grant Sub-project with due diligence and efficiency and in accordance with sound technical and financial standards and practices satisfactory to the Association, including the requirements set out in the Anti-Corruption Guidelines applicable to the recipients of the Credit proceeds other than the Recipient;

(ii) provide, promptly as needed, the resources required for carrying out the Livelihood Transfer Grant Sub-project;

(iii) procure the goods and/or services to be financed out of the Livelihood Transfer Grant in accordance with the provisions of this Agreement and use such goods and/or services exclusively for the Livelihood Transfer Grant Sub-project;

(iv) enable the Association and Recipient to inspect the Livelihood Transfer Grant Sub-project, its operation and any relevant records and documents; and

(v) prepare and furnish to the Association and Recipient, all such information as the Association and Recipient shall reasonably request relating to the foregoing.

3. The Recipient shall exercise its rights under each Livelihood Transfer Grant Agreement in such manner as to protect the interests of the Recipient and the Association to accomplish the purposes of the Credit. Except as the Association, the Recipient shall not assign, amend, abrogate or waive any Livelihood Transfer Grant Agreement or any of its provisions.
Section II. Project Monitoring, Reporting and Evaluation

A. Documents; Records

In addition and without limitation to the obligations set forth in Section 2.05 of the Standard Conditions, the Recipient shall ensure that:

(a) all records evidencing expenditures under the Project are retained for seven years and six months after the Closing Date, such records to include: (i) this Agreement, all addenda thereof, and any amendments thereto; (ii) the Recipient’s financial and narrative progress reports submitted to the World Bank; (iii) the Recipient’s financial information related to the Grant, including audit reports, invoices and payroll records; (iv) the Recipient’s implementation documentation (including sub-agreements, procurement files, contracts, purchase orders); and (v) the corresponding supporting evidence referred to in Section 3.04 of the Standard Conditions; and

(b) the representatives of the World Bank are: (i) able to examine all records referred to above in paragraph (a); (ii) provided all such information concerning such records as they may from time to time reasonably request; and (iii) able to disclose such records and information to the Donors.

B. Project Reports; Completion Report

1. The Recipient shall monitor and evaluate the progress of the Project and prepare Project Reports in accordance with the provisions of Section 2.06 of the Standard Conditions and on the basis of the indicators acceptable to the World Bank. Each Project Report shall cover the period of six (6) months, and shall be furnished to the World Bank not later than forty-five (45) days after the end of the period covered by such report.

2. The Recipient shall prepare the Completion Report in accordance with the provisions of Section 2.06 of the Standard Conditions. The Completion Report shall be furnished to the World Bank not later than six (6) months after the Closing Date.

C. Financial Management; Financial Reports; Audits

1. The Recipient shall ensure that a financial management system is maintained in accordance with the provisions of Section 2.07 of the Standard Conditions.

2. The Recipient shall ensure that: (i) interim unaudited financial reports for the Project; and (ii) commodity (food items) flow and status reports for the Project are prepared and furnished to the World Bank not later than sixty (60) days after
the end of each calendar quarter, covering the quarter, in form and substance satisfactory to the World Bank.

3. The Recipient shall have its Financial Statements for the Project audited in accordance with the provisions of Section 2.07(b) of the Standard Conditions. Each audit of the Financial Statements shall cover the period of one fiscal year of the Recipient. The audited Financial Statements for each such period shall be furnished to the World Bank not later than six (6) months after the end of such period.

4. The Recipient shall have the commodity (food items) flow and status reports for the Project for the period of one fiscal year audited in form and substance satisfactory to the Association and submitted to it not later than six (6) months after the end of such period.

Section III. Procurement

A. General

1. Procurement and Consultant Guidelines. All goods, works non-consulting-services and consultants’ services required for the Project and to be financed out of the proceeds of the Grant shall be procured in accordance with the requirements set forth or referred to in:


   (b) the provisions of this Section III, as the same shall be elaborated in the procurement plan prepared and updated from time to time by the Recipient for the Project in accordance with paragraph 1.18 of the Procurement Guidelines and paragraph 1.25 of the Consultant Guidelines (“Procurement Plan”).

2. Definitions. The capitalized terms used below in this Section to describe particular procurement methods or methods of review by the World Bank of particular contracts, refer to the corresponding method described in Sections II and III of the Procurement Guidelines, or Sections II, III, IV and V of the Consultant Guidelines, as the case may be.
B. Particular Methods of Procurement of Goods, Work and Non-consulting Services

1. International Competitive Bidding. Except as otherwise provided in paragraph 2 below, goods, works and non-consulting services shall be procured under contracts awarded on the basis of International Competitive Bidding.

2. Other Methods of Procurement of Goods, Works and Non-consulting Services. The following methods, other than International Competitive Bidding, may be used for procurement of goods, works and non-consulting services for those contracts specified in the Procurement Plan: (a) Limited International Bidding; (b) National Competitive Bidding; (c) Shopping; (d) Direct Contracting; (e) Procurement from UN Agencies.

National Competitive Bidding shall follow the Recipient’s procurement procedures subject to the following additional procedures:

(a) The Recipient’s standard bidding documents for procurement of goods and works acceptable to the Association shall be used. At the request of the Recipient, the introduction of requirements for bidders to sign an Anti-Bribery pledge and/or statement of undertaking to observe Ethiopian Law against fraud and corruption and other forms that ought to be completed and signed by him/her may be included in bidding documents if the arrangements governing such undertakings are acceptable to the Association.

(b) If pre-qualification is used, the Association’s standard prequalification document shall be used.

(c) No margin of preference shall be granted in bid evaluation on the basis of bidder’s nationality, origin of goods or services, and/or preferential programs such as but not limited to small and medium enterprises.

(d) Mandatory registration in a supplier list shall not be used to assess bidders’ qualifications. A foreign bidder shall not be required to register as a condition for submitting its bid and if recommended for contract award shall be given a reasonable opportunity to register with the reasonable cooperation of the Recipient, prior to contract signing. Invitations to bids shall be advertised in at least one newspaper of national circulation or the official gazette or on a widely used website or electronic portal with free national and international access.

(e) Bidders shall be given a minimum of thirty (30) days to submit bids from the date of availability of the bidding documents.
(f) All bidding for goods shall be carried out through a one-envelope procedure.

(g) Evaluation of bids shall be made in strict adherence to the evaluation criteria specified in the bidding documents. Evaluation criteria other than price shall be quantified in monetary terms. Merit points shall not be used, and no minimum point or percentage value shall be assigned to the significance of price, in bid evaluation.

(h) The results of evaluation and award of contract shall be made public. All bids shall not be rejected and the procurement process shall not be cancelled, a failure of bidding declared, or new bids shall not be solicited, without the Association’s prior written concurrence. No bids shall be rejected on the basis of comparison with the cost estimates without the Association’s prior written concurrence.

(i) In accordance with paragraph 1.16(e) of the Procurement Guidelines, each bidding document and contract financed out of the proceeds of the Financing shall provide that: (1) the bidders, suppliers, contractors and subcontractors, agents, personnel, consultants, service providers, or suppliers shall permit the Association, at its request, to inspect all accounts, records and documents relating to the bid submission and performance of the contract, and to have them audited by auditors appointed by the Association; and (2) Acts intended to materially impede the exercise of the Association’s audit and inspection rights constitutes an obstructive practice as defined in paragraph 1.16(v) of the Procurement Guidelines.

C. Particular Methods of Procurement of Consultants’ Services

1. Quality- and Cost-based Selection. Except as otherwise provided in paragraph 2 below, consultants’ services shall be procured under contracts awarded on the basis of Quality- and Cost-based Selection.

2. Other Methods of Procurement of Consultants’ Services. The following methods, other than Quality- and Cost-based Selection, may be used for procurement of consultants’ services for those assignments which are specified in the Procurement Plan: (a) Quality-based Selection; (b) Selection under a Fixed Budget; (c) Least-Cost Selection; (d) Selection based on Consultants’ Qualifications; (e) Single-source Selection of consulting firms; (f) Procedures set forth in paragraphs 5.2 and 5.3 of the Consultant Guidelines for the Selection of Individual Consultants; and (g) Single-source procedures for the Selection of Individual Consultants.
D. **Review by the World Bank of Procurement Decisions**

The Procurement Plan shall set forth those contracts which shall be subject to the World Bank’s Prior Review. All other contracts shall be subject to Post Review by the World Bank.

The Recipient shall cause MOANR: (i) to have procurement activities under the Project audited annually by an independent procurement auditor selected in conformity with the procedures set forth or referred to in this Section, under terms of reference satisfactory to the Association; and (ii) to submit such audit reports to the Association not later than sixty (60) days after the end of each respective annual period.

E. **Document Retention**

Notwithstanding the provisions of paragraphs 2(j) and 5 of Appendix 1 to the Procurement Guidelines, and paragraphs 2(k) and 5 of Appendix 1 to the Consultant Guidelines, the Recipient: (i) shall retain all documentation with respect to each contract as described in said paragraphs for at least seven years and six months after the Closing Date set forth in Section IV.B.2 of this Schedule; (ii) shall furnish such documentation to the World Bank at any time upon request; and (iii) hereby authorizes the World Bank to disclose such documentation to the Donors.

Section IV. **Withdrawal of Grant Proceeds**

A. **General**

1. The Recipient may withdraw the proceeds of the Grant in accordance with the provisions of: (a) Article III of the Standard Conditions; (b) this Section; and (c) such additional instructions as the World Bank may specify by notice to the Recipient (including the “World Bank Disbursement Guidelines for Projects” dated May 2006, as revised from time to time by the World Bank and as made applicable to this Agreement pursuant to such instructions), to finance Eligible Expenditures as set forth in the table in paragraph 2 below.

2. The following table specifies the categories of Eligible Expenditures that may be financed out of the proceeds of the Grant (“Category”), the allocations of the amounts of the Grant to each Category, and the percentage of expenditures to be financed for Eligible Expenditures in each Category:
### Percentage of Amount of the Expenditures to be Grant Allocated Financed

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount of the Grant Allocated (expressed in USD)</th>
<th>Percentage of Expenditures to be Financed (inclusive of Taxes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Goods, works, non-consulting services, Training, Operating Costs, Safety Net Transfers, and Livelihood Transfer Grants</td>
<td>10,432,615</td>
<td>100%</td>
</tr>
<tr>
<td><strong>TOTAL AMOUNT</strong></td>
<td>10,432,615</td>
<td></td>
</tr>
</tbody>
</table>

**B. Withdrawal Conditions; Withdrawal Period**

1. Notwithstanding the provisions of Part A of this Section no withdrawal shall be made for payments made prior to the date of this Agreement.

2. The Closing Date referred to in Section 3.06(c) of the Standard Conditions is December 31, 2020.
APPENDIX

Definitions

1. “Affected Person” means a person who, as a result of: (i) the involuntary taking of land under the Project, is affected in any of the following ways: (A) relocation or loss of shelter; (B) loss of assets or access to assets; or (C) loss of income sources or means of livelihood, whether or not the affected person must move to another location; or (ii) the involuntary restriction of access to legally designated parks and protected areas, suffers adverse impacts on his or her livelihood.

2. “Annual Public Works Plan” means the annual public work plan to be prepared in accordance with the provisions of paragraph E.2 of Section I of Schedule 2 to this Agreement.

3. “Beneficiary” 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.

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

5. “Commodity Management Procedure Manual” means the manual, dated July 22, 2014, satisfactory to the Association, and referred to in paragraph B.1(b) of Section I of Schedule 2 to this Agreement.

6. “Coordination and Management Committee” means the committee referred to in paragraph A.1(b) of Section I. of Schedule 2 to this Agreement.

7. “DRMFSS” means the Directorates within MOANR responsible for disaster risk management and food security.

8. “Enhanced Social Assessment and Consultation” means the document disclosed in the Recipient’s country and in the Association’s Infoshop on July 10, 2014, identifying and assessing the potential social impacts of the Project, evaluating alternatives, and proposing appropriate mitigation, management, and monitoring measures, defining specific measures to be implemented for vulnerable and underserved groups, through free prior informed consultations and broad community support, in order to protect them and to ensure that they be granted equal legal, financial and organizational opportunities under the Project, as the said plan may be amended and/or supplemented from time to time with the prior written consent of the Association, and such term includes any schedules to such document.
9. “Environmental and Social Management Framework” or “ESMF” means the framework disclosed in the Recipient’s country and in the Association’s Infoshop on July 10, 2014, prepared by the Recipient and approved by the Association, setting forth: (i) integrated pest management procedures; (ii) small dam management procedures; and (iii) an environmental and social screening process that will enable the Recipient to identify and assess potential adverse environmental and social impacts, and offset and reduce them to acceptable levels, or enhance positive impacts, and in accordance with which ESMPs will be prepared and submitted to the Association for its approval, as the same may be amended from time to time with the prior written approval of the Association.

10. “ESMPs” means the environmental and social management plans to be prepared by the Recipient in accordance with the principles and guidance set out in the ESMF and RPF, and acceptable to the Association, setting forth a set of mitigation, monitoring, and institutional measures to be taken during the implementation and operation of the Project to eliminate adverse environmental and social impacts, offset them, or reduce them to acceptable levels, and including the actions needed to implement these measures.

11. “Kebele” means the lowest tier of government in the Recipient’s administrative system, as established according to the relevant Regional legislation.

12. “Joint Strategic Oversight Committee” means the committee referred to in paragraph A.1(a) of Section I. of Schedule 2 to this Agreement.

13. “Joint Technical Committees” means the committees referred to in paragraph A.1(c) of Section I. of Schedule 2 to this Agreement.

14. “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.

15. “Livelihood Transfer Grant Agreement” means an agreement to be entered into between the Recipient and a Livelihood Transfer Grant Beneficiary pursuant to the requirements as set out in the provisions of paragraph G.2 of Section I of Schedule 2 to this Agreement; and the term “Livelihood Transfer Grant Agreements” means the plural thereof.

16. “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.
17. “Livelihood Transfer Grant Sub-project” an activity to be implemented by a Livelihood Transfer Grant Beneficiary under Part 2(c)(iii) of the Project pursuant to the requirement of this Agreement and in accordance with the selection criteria and procedures set forth in the Project Implementation Manual; and the term “Livelihood Transfer Grant Sub-projects” means the plural thereof.

18. “MOANR” means the Recipient’s Ministry of Agriculture and Natural Resources or any successor thereto.

19. “MOFEC” means the Recipient’s Ministry of Finance and Economic Cooperation or any successor thereto.

20. “MOLSA” means the Recipient’s Ministry of Labor and Social affair or any successor thereto.

21. “National Capacity Building Facility” means the facility to be supported under Part 1(d) of the Project.

22. “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 consumables, 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 Association.

23. “Project Implementation Manual” means the manual that has been prepared and updated for the purposes of the Project satisfactory to the Association; as such manual may be revised from time to time with prior written agreement of the Association.

24. “Project Implementing Agencies” means, collectively, MOANR, MOFEC and MOLSA and their counterparts at the lower levels, each of which shall implement their respective Project implementation activities pursuant to the requirements under this Agreement and the Project Implementation Manual.

25. “Public Works Sub-project” means an activity to be implemented under Part 2(b) of the Project pursuant to the requirement of this Agreement and in accordance with the selection criteria and procedures set forth in the Project Implementation Manual.

26. “RAP” means a resettlement action plan, acceptable to the Association and to be prepared by the Recipient pursuant to the requirements of the RPF for compensation, resettlement and rehabilitation of Affected Persons as a result of
development of Public Works Sub-projects, as such plan may be amended from
time to time with the prior written approval of the Association, and such term
includes any schedules to such plan.

27. “Region” means the second tier of government in the administrative system of
Recipient established under the Recipient’s Federal Constitution of 1995; and the
term “Regions” means the plural thereof.

28. “Regional Cabinet” means the Executive branch of the Regional government.

29. “RPF” means the resettlement policy framework, disclosed in the Recipient’s
territory and in the Association’s Infoshop on July 10, 2014, prepared by the
Recipient and outlining the policies and procedures to be implemented in the event
that specific activities implemented under a Public Works Sub-project have
potentially negative impacts on the livelihoods, assets and land of Affected
Persons, as the said framework may be amended and/or supplemented from time
to time with the prior written approval of the Association, and such term includes
any schedules to such document.

30. “Safeguards Document” means an ESMP or RAP, and the term “Safeguard
Documents” means, collectively, all such documents.

31. “Safety Net Transfer” means a safety net benefit to be provided to a Beneficiary
under Part 2(a) of the Project 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.

32. “Training” means Project related 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.

33. “Woreda” means one of the tiers of government in the Recipient’s administrative
system, as established pursuant to the relevant Regional legislation.