Trust Fund Grant Agreement

(Co-financing of the Women Entrepreneurship Development Project)

between

FEDERAL DEMOCRATIC REPUBLIC OF ETHIOPIA

and

INTERNATIONAL DEVELOPMENT ASSOCIATION
(acting as administrator of the Multi-Donor Trust Fund for the co-financing of the Women Entrepreneurship Development Project)

Dated April 23, 2014
GRANT NUMBER TF016392

TRUST FUND GRANT AGREEMENT

AGREEMENT dated April 23, 2014, entered into between:
FEDERAL DEMOCRATIC REPUBLIC OF ETHIOPIA ("Recipient"); and
INTERNATIONAL DEVELOPMENT ASSOCIATION (the "World Bank"), acting as administrator of grant funds provided by various donors ("Donors") under the Multi Donor Trust Fund ("Trust Fund") for the co-financing of the Women Entrepreneurship Development Project ("Original Project").

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 Part 1(a) of the Project through MoUD&C in cooperation with DBE pursuant to the Subsidiary Agreement; Part 2 of the Project through FeMSEDA; and Parts 1(b) and 3 of the Project through MoUD&C, all 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 five
million one hundred seventy one thousand six hundred ninety two United States Dollars ($5,171,692) ("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 above mentioned 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 above mentioned Trust Fund, and the Recipient's right to withdraw the Grant proceeds is subject to the availability of such funds.

Article IV
Recipient's Representative; Addresses

4.01. The Recipient's Representative is its Minister for Finance and Economic Development.

4.02. The Recipient’s Address is:

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

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

4.03. The World Bank’s Address is:

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

Cable: Telex: Facsimile:
INDEVAS 248423 (MCI) 1-202-477-6391
AGREED at
as of the day and year first above written.

FEDERAL DEMOCRATIC REPUBLIC OF ETHIOPIA

By

Authorized Representative

Name: [AHMED SHIDE]
State Minister

Title: 

INTERNATIONAL DEVELOPMENT ASSOCIATION
(acting as administrator of the Multi-Donor Trust Fund for the co-financing of the Women Entrepreneurship Development Project)

By

Authorized Representative

Name: Guang Z. Chen
Title: Country Director for Ethiopia
SCHEDULE 1
Project Description

The objective of the Project is to increase the earnings and employment of micro and small enterprises (MSEs) owned or partly owned by female entrepreneurs in targeted cities.

The Project consists of the following Parts:

Part 1: Access to Microfinance
(a) Establishment and operation of a credit facility providing access to finance for working capital and investment for qualifying growth-oriented micro and small enterprises owned (or partly owned) by female entrepreneurs.
(b) Provision of technical assistance to support: (i) capacity building in participating financial institutions; and (ii) an institutional development plan for DBE, including capacity building of the PMT.

Part 2: Entrepreneurial Skills, Technology and Cluster Development
Design and implementation of a capacity building technical assistance program to strengthen the capacity of the implementing agencies connected with the Project, that provide direct services to the Beneficiaries, including, in particular, NPMT, ReMSEDA, One Stop Shops and TVET Colleges, and the supporting/coordinating institutions such as the City MSE Development Offices.

(a) Establishment of the NPMT within FeMSEDA.
(b) Advocacy and Outreach: Provision of technical assistance (consisting of consultants’ services and Training) to build awareness and expand the outreach and understanding and acceptance of the Project among targeted Beneficiaries and other stakeholders. Carrying out of a program of public information disclosure about the Project, including, inter alia, organizing meetings and strengthening access to sources of information through public media such as newspapers, mobile phones, radio and television. Dissemination of results, lessons learned and good practices.
(c) Monitoring and Evaluation: Development of a monitoring and evaluation system to collect data from all the implementing agencies to identify gaps in Project implementation, corrective actions and improved planning by FeMSEDA.
(d) Financing of Operating Costs.
SCHEDULE 2

Project Execution

Section I. Implementation and Other Arrangements

A. Institutional Arrangements

1. The Recipient shall maintain at all times during the Project implementation:

(a) MoUD&C, with the responsibility for overall coordination of the Project;

(b) Federal MSE Development Council, with the responsibility for managing the relationships among the federal institutions with responsibilities under the Project, and ensuring timely decisions relevant to the implementation of the Project that require high-level participation;

(c) the National Project Management Team (NPMT), with the responsibility for the preparation and approval of annual work plans and budgets for the implementation of Parts 1(b), 2 and 3 of the Project, and with respect to Part 1(a) of the Project, for receiving DBE’s reports to be presented to the Federal MSE Development Council;

(d) Development Bank of Ethiopia (DBE), with the responsibility for the implementation of Part 1(a) of the Project;

(e) FeMSEDA, with the responsibility for overseeing the overall implementation of the Project, and coordination of participating agencies at all levels of administration (federal, Regional, Woreda and Kebele);

(f) ReMSEDA, with the function of maintaining the repository of monitoring data from the City MSE Development Offices and working with the same offices to expand the network of MSEs by holding seminars, arranging networking and mentoring events, acting as a platform for the private sector business community to interact with the potential MSE to encourage backward and forward linkages;

(g) City MSE Development Offices, with the responsibility for acting as the main front line agency for supporting, coordinating and supervising the day-to-day operation of the One Stop Shops and for providing support to the MSEs through linkages with the city TVET Colleges, the MFIs and the clusters; as well as compiling periodic reports from the One Stop Shops and reporting to the corresponding ReMSEDA; and receiving and mitigating complaints from women entrepreneurs;

(h) One Stop Shops, with the responsibility for, inter alia: (i) acting as the entry points for the MSEs into the Project; (ii) providing basic services including issuing membership cards to eligible participants; (iii)
providing basic support to developing their business ideas and entrepreneurial mindset; (iv) supplying information about available support including about the various Project components and where to get additional information; (v) providing basic market information; (vi) providing guidance on filling out application forms for credit and training; and (vii) contributing in the collection, integration and reporting of monitoring and evaluation data for the Project;

(i) The National Technical Vocational Educational Training (TVET) Agency, with the responsibility for: (i) collaborating with FeMSEDA to design specific training modules with detailed curricula and material for teachers, in a manner that meet the demands of the Project participants; and (ii) ensuring that a coherent technical capacity development program is designed to enable the participating TVET Colleges to deliver modules tailored to the needs of the MSEs; and

(j) TVET Colleges, with the responsibility to conduct the required technical and entrepreneurial skills trainings under the Project.

2. Project Management Team (PMT)

For the purposes of facilitating the implementation of the Project, the Recipient shall ensure that DBE maintains at all times during the implementation of the Project, a Project Management Team (PMT), with adequate facilities and having personnel in sufficient number and with qualifications satisfactory to the World Bank.

B. Project Implementation Manual

1. The Recipient shall carry out the Project, or cause it to be carried out, in accordance with the terms of the PIM. The Recipient shall not amend, abrogate or waive any provision of the PIM which, in the opinion of the World Bank, may materially and adversely affect the implementation of the Project or the achievement of the objectives of the Project, without prior approval of the World Bank.

2. Notwithstanding the foregoing, in the event of any inconsistency between the provisions of the Project Implementation Manual and those of this Agreement, the provisions of this Agreement shall prevail.

C. Subsidiary Agreement

1. To facilitate the establishment of the credit facility under Part 1(a) of the Project, the Recipient shall make the portion of the proceeds of the Grant allocated from time to time to Category (1) of the table set forth in Section IV.A.2 of this Schedule available to the DBE under a subsidiary agreement between the Recipient and the DBE (“Subsidiary Agreement”), under terms and conditions approved by the World Bank, which shall include, inter alia:
(a) the obligation of the DBE to ensure that the credit facility established under Part 1(a) of the Project is implemented and operated in accordance with the provisions of the Anti-Corruption Guidelines;

(b) the obligation of the DBE to carry out its Institutional Development Plan in a manner acceptable to the World Bank;

(c) the obligation of the DBE to ensure that Part 1(a) of the Project is implemented in accordance with the relevant provisions of the PIM pertaining to implementation of the credit facility established under Part 1(a) of the Project, and shall not, except as the World Bank shall otherwise agree, assign, amend, abrogate, or waive, or permit to be assigned, amended, abrogated, or waived, the aforementioned, or any provision thereof;

(d) the obligation of the DBE to solicit expressions of interest from, and enlist for participation in the Project, the PFIs which shall carry out the financial intermediation of the credit facility established under Part 1(a) of the Project, in accordance with the eligibility criteria and approval procedures referred to in paragraph 1 of Sub-section F of this Schedule 2;

(e) the obligation of the DBE to enter into agreements with each of the PFIs (the Women Entrepreneurship Development Credit Facility Agreements), under terms and conditions satisfactory to the World Bank, including, without limitation, the terms and conditions set forth or referred to in paragraph 2 of Sub-section F of this Schedule 2; and

(f) the obligation of the DBE to provide the Recipient with all information pertaining to the Sub-Credits as shall be needed in order for the Recipient to be able to comply with the provisions of Section II of this Schedule 2 (on Project monitoring, reporting and evaluation).

2. The Recipient shall exercise its rights and carry out its obligations under the Subsidiary Agreement in such manner as to protect the interests of the Recipient and the World Bank and to accomplish the purposes of the Grant. Except as the World Bank shall otherwise agree, the Recipient shall not assign, amend, abrogate or waive the Subsidiary Agreement or any of its provisions.

D. Anti-Corruption

The Recipient shall ensure that the Project is carried out in accordance with the provisions of the Anti-Corruption Guidelines.
E. Donor Visibility and Visit

1. The Recipient shall take or cause to be taken all such measures as the World Bank may reasonably request to identify publicly the Donors' support for the Project.

2. For the purposes of Section 2.09 of the Standard Conditions, the Recipient shall, upon the World Bank's request, take all measures required on its part to enable the representatives of the Donors to visit any part of the Recipient's territory for purposes related to the Project.

F. Participating Financial Institutions; and Terms and Conditions of Women Entrepreneurship Development Credit Facility Agreements

1. Eligibility Criteria and Approval Procedures for Selection of Participating Financial Institutions

The Recipient shall cause DBE to solicit expressions of interest from microfinance institutions (MFIs) operating in the targeted cities, and to enlist them for participation in the credit facility established under Part 1(a) the Project, as Participating Financial Institutions, according to the criteria and approval procedures set forth in the WECF Operations Manual.

2. Terms and Conditions of Women Entrepreneurship Development Credit Facility Agreements

The Recipient shall ensure that DBE shall enter into agreements with each of the Participating Financial Institutions (the "Women Entrepreneurship Development Credit Facility Agreements") under terms and conditions set forth in the WECF Operations Manual approved by the Federal MSE Development Council, and satisfactory to the World Bank, including, inter alia, the following: (i) the agreement of the PFI to undertake, through application of technical assistance, an institutional development program to enhance its capacity to implement actions relative to the objectives of the credit facility; (ii) rights adequate to protect its interests and those of the World Bank, including: (A) the right to suspend or terminate the right of the PFI to use the proceeds of the credit facility, or obtain a refund of all or any part of the amount of the same then withdrawn, upon the PFI's failure to perform any of its obligations under the Women Entrepreneurship Development Credit Facility Agreement; and (B) application of the provisions of the Anti-Corruption Guidelines applicable to recipients of loan proceeds other than the Recipient; (iii) the obligation of the PFI to maintain policies and procedures adequate to enable it to monitor and evaluate in accordance with indicators acceptable to the World Bank, the progress of the activities being undertaken and manner in which this contributes to the achievement of the overall objective of the Project; (iv) obligation of the PFI to maintain a financial management system and prepare financial statements in accordance with consistently applied accounting standards acceptable to the
World Bank, both in a manner adequate to reflect its operations and resources and expenditures related to the Project; (v) obligation of the PFI at the World Bank’s or the Recipient’s request, to have such financial statements audited by independent auditors acceptable to the World Bank, in accordance with consistently applied auditing standards acceptable to the World Bank, and promptly furnish the statements as so audited to the Recipient and the World Bank; (vi) obligation of the PFI to cooperate with the Recipient and the World Bank, as needed, to enable Recipient or the World Bank to inspect any Sub-project, its operation and any relevant records and documents; and (vii) obligation of the PFI prepare and furnish to the Recipient and the World Bank all such information as the Recipient or the World Bank shall reasonably request relating to the foregoing.

G. Sub-Credits

1. The Recipient shall cause DBE to administer the Women Entrepreneurship Development Credit Facility Agreements, to ensure that Sub-Credits are made exclusively to Beneficiaries selected in accordance with eligibility criteria and approval procedures established by the PFIs in accordance with prevailing commercial and MFI practices, acceptable to the World Bank, as shall be set forth or referred to in the Operations Manual.

2. The Recipient shall cause DBE to ensure that Sub-credits are made under an agreement (the Sub-credit Agreement) between the PFI and the respective Beneficiary in conformity with a standard Sub-Credit Agreement approved by the World Bank, pursuant to which the PFI shall obtain rights adequate to protect its interests and those of the World Bank and the Recipient, including the right to: (i) suspend or terminate the right of the Beneficiary to use the proceeds of the Sub-credit, or obtain a refund of all or any part of the amount of the Sub-credit then withdrawn, upon the Beneficiary’s failure to perform any of its obligations under the Sub-credit Agreement; and (ii) require each Beneficiary to: (A) carry out its Sub-project with due diligence and efficiency and in accordance with sound technical, economic, financial, managerial, environmental and social standards and practices satisfactory to the World Bank, including in accordance with the provisions of: (1) the Anti-Corruption Guidelines applicable to recipients of loan proceeds other than the Recipient; and (2) the ESMF; (B) provide, promptly as needed, the resources required for the purpose; (C) procure the goods, works and services to be financed out of the Sub-credit in accordance with the provisions of this Agreement; (D) maintain policies and procedures adequate to enable it to monitor and evaluate in accordance with indicators acceptable to the World Bank, the progress of the Sub-project and the achievement of its objectives; (E) (1) maintain a financial management system and prepare financial statements, both in a manner adequate to reflect the operations, resources and expenditures related to the Sub-project; and (2) at the World Bank’s or the Recipient’s or the PFI’s request, have such financial statements audited by independent auditors acceptable to the World Bank, and promptly furnish the statements as so audited to the Recipient and the World Bank.
Bank; (F) enable the Recipient, the PFI and the World Bank to inspect the Sub-
project, its operation and any relevant records and documents; and (G) prepare
and furnish to the Recipient, the PFI, and the World Bank all such information as
the Recipient, the PFI, or the World Bank shall reasonably request relating to the
foregoing.

H. Environmental and Social Management Framework

The Recipient shall ensure that the activities for which Sub-credits are provided
to MSEs under Part 1(a) of the Project are designed, executed and carried out in
full compliance with the standards set forth in the ESMF and the laws and
regulations of the Recipient relating to public health and safety, environmental
protection, resettlement, and fair labor standards and social impacts.

Section II. Project Monitoring, Reporting and Evaluation

A. 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 one calendar semester, and shall be
furnished to the World within two (2) months after the end of the period covered
by such report.

2. Without limitation upon the provisions of paragraph 1 of this Sub-Section A, the
Recipient shall cause DBE and FeMSEDA to carry out, by June 15, 2015, a
comprehensive mid-term Project review under terms of reference satisfactory to
the World Bank, and shall cause DBE and FeMSEDA to prepare and furnish to
the World Bank for its review a mid-term Project progress report, by no later
than September 15, 2015, including the commitment of the same to carry out a
plan of actions or measures, satisfactory to the World Bank, consisting of actions
necessary to be undertaken by any Project implementing agencies in order to
further accomplish the objectives of the Project.

B. 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. Without limitation on the provisions of Part A of this Section, the Recipient shall
prepare and furnish to the World Bank not later than forty-five (45) days after the
end of each calendar quarter, interim unaudited financial reports for the Project
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 such audit of the Financial Statements shall cover the period of one (1) 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.

Section III.  Procurement

A.  General

1.  Goods, Works and Non-consulting Services. All goods, works and non-consulting 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 Section I of the Procurement Guidelines, and with the provisions of this Section.

2.  Consultants' Services. All 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 Sections I and IV of the Consultant Guidelines, and with the provisions of this Section.

3.  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, Works 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 table specifies the methods of procurement, other than International Competitive Bidding, which may be used for goods, works, and non-consulting services. The Procurement Plan shall specify the circumstances under which such methods may be used:

<table>
<thead>
<tr>
<th>Procurement Method</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a)  National Competitive Bidding</td>
</tr>
<tr>
<td>(b)  Direct Contracting</td>
</tr>
<tr>
<td>(c)  Shopping</td>
</tr>
</tbody>
</table>
3. National Competitive Bidding (NCB) shall follow the Recipient’s procurement procedures, subject to the following additional procedures: (i) the Recipient’s standard bid documents for procurement of goods and works shall be used; (ii) if pre-qualification is used, the World Bank’s standard prequalification document shall be used; (iii) margin of preference shall not be applicable; (iv) bidders shall be given a minimum of thirty (30) days to submit bids from the date of availability of the bidding documents; (v) use of merit points for evaluation of bids shall not be allowed; (vi) foreign bidders shall not be excluded from participation; (vii) the results of evaluation and award of contract shall be made public; and (viii) in accordance with paragraph 1.16(e) of the Procurement Guidelines, each bidding document and contract financed out of the proceeds of the Grant shall provide that: (1) the bidders, suppliers, contractors and subcontractors shall permit the World Bank, at its request, to inspect their accounts and records relating to the bid submission and performance of the contract, and to have said accounts and records audited by auditors appointed by the World Bank; and (2) the deliberate and material violation by the bidder, supplier, contractor or subcontractor of such provision may amount to an obstructive practice as defined in paragraph 1.16(a)(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 table specifies methods of procurement, other than Quality- and Cost-based Selection, which may be used for consultants’ services. The Procurement Plan shall specify the circumstances under which such methods may be used.

<table>
<thead>
<tr>
<th>Procurement Method</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a) Quality Based Selection</td>
</tr>
<tr>
<td>(b) Least Cost Selection</td>
</tr>
<tr>
<td>(c) Single Source Selection</td>
</tr>
</tbody>
</table>
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.

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:

<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>(1) Sub-Credits under Part 1(a) of the Project</td>
<td>3,500,000</td>
<td>100% of amounts disbursed by PFIls</td>
</tr>
<tr>
<td>(2) Goods, works, non-consulting services, consultants’ services, Training, and Operating Costs for the Project</td>
<td>1,671,692</td>
<td>100%</td>
</tr>
<tr>
<td>TOTAL AMOUNT</td>
<td>5,171,692</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:

(a) prior to the date of this Agreement; and

(b) under category 1 (Sub-Credits), until and unless the Subsidiary Agreement referred to in Section I.C of Schedule 2 to this Agreement, has been entered into between the Recipient and DBE, and has been authorized or ratified by the Recipient and DBE and is legally binding upon the Recipient and DBE in accordance with its terms.

2. The Closing Date referred to in Section 3.06 (c) of the Standard Conditions is December 31, 2017.
APPENDIX

Section I. Definitions


2. “Beneficiary” means an individual or group which is a recipient of a loan from a PFI under the credit facility established pursuant to Part 1(a) of the Project, in accordance with the eligibility criteria for Beneficiaries adopted for the purposes of the guidelines applicable to such credit facility and included in the WCEF Operations Manual.

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

4. “City MSE Development Offices” means the city administrative offices responsible for providing technical guidance for Micro and Small Enterprises within the respective cities targeted under the Project.


7. “ESMF” means the Environmental and Social Management Framework prepared by the Recipient in form and substance acceptable to the World Bank for the purposes of the Original Project, and disclosed in the territory of the Recipient and in the World Bank’s InfoShop on February 8, 2012, and referred to in Section I.G of Schedule 2 to this Agreement, and setting forth, inter alia, guidelines, procedures, timetable and other specifications designed to offset adverse environmental and social impacts related to Project activities, or to reduce them to acceptable levels, or to enhance positive impacts, as the same framework may be updated from time to time with the agreement of the World Bank.

8. “Financing Agreement” means the agreement dated June 12, 2012, and entered into between the Recipient and the International Development Association for the purposes of the Original Project.

Ethiopian Women Entrepreneurs Association, and established pursuant to the Federal Micro and Small Enterprise Development Agency Establishment Regulation adopted by the Regulation No. 201/2011 of the Recipient’s Council of Ministers.


11. “Institutional Development Plan” or “IDP” means a plan for the institutional development of DBE comprising actions required to be carried out by DBE to strengthen or enhance its capacity and efficiency in its administration of targeted development-oriented credit facilities on behalf of the Recipient through engaging in on-lending with financial intermediary institutions, including the credit facility established under Part 1(a) of the Project.

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


15. “MoWY&CA” means the Recipient’s Ministry of Women, Youth and Children’s Affairs.


17. “MSEs” means micro and small enterprises.

18. “National Project Management Team” or “NPMT” means the team referred to in paragraph 2 of Section I.A of Schedule 2 to this Agreement.

19. “One Stop Shops” means the entry point for MSEs to seek related services.

20. “Operating Costs” means the incremental operating costs arising under the Project on account of Project coordination, implementation and monitoring activities undertaken by the implementing agencies of the Recipient, including office supplies, vehicle operation and maintenance costs, utilities, communication charges, per diems and travel allowances, but excluding the salaries of the Recipient’s civil service and sitting allowances.


22. “PFI” or “Participating Financial Institution” means a microfinance institution registered and operating in accordance with the applicable laws and regulations
of Ethiopia and selected in conformity with the eligibility criteria set forth in the

23. "PIM" or "Project Implementation Manual" means the Project implementation
manual adopted by the Recipient pursuant to the Financing Agreement, and
referred to in Section I.B of Schedule 2 to this Agreement, as such manual may
be amended from time to time, and such term includes any schedules to the
manual.

24. "PMT" means the Project Management Team at DBE, established pursuant to the
provisions of paragraph 2 of Section I.A of Schedule 2 to this Agreement.

and Non-consulting Services under IBRD Loans and IDA Credits and Grants by
World Bank Borrowers” dated January 2011.

26. "Procurement Plan" means the Recipient’s procurement plan for the Project,
dated February 28, 2012, as subsequently updated from time to time for the
purposes of the Project, and referred to in paragraph 1.18 of the Procurement
Guidelines and paragraph 1.25 of the Consultant Guidelines, as the same shall be
updated from time to time in accordance with the provisions of said paragraphs.

27. "ReMSEDAs" means Regional Micro and Small Enterprise Development
Agencies of the National/Regional States within the Federal Democratic
Republic of Ethiopia.

28. "Standard Conditions" means the “Standard Conditions for Grant Made
by the

29. "Sub-Credit" means an amount to be provided or allocated by a PFI to a
Beneficiary out of the proceeds of the Credit for a Sub-project under Part 1(a) of
the Project, on a credit basis, under terms and conditions provided in the PIM.

30. "Sub-Credit Agreement" means an agreement between a PFI and a Beneficiary,
as referred to under paragraph G.2 of Section I of Schedule 2 to this Agreement.

31. "Sub-project" means expenditures incurred (or to be incurred) for goods, works,
and services comprising a project or investment that shall be undertaken by an
MSE which has been selected and approved in conformity with the provisions of
the WCEF Operations Manual, and to be carried out under Part 1(a) of the
Project.

32. "Subsidiary Agreement" means the agreement referred to in
Section I.C of Schedule 2 to this Agreement, pursuant to which the Recipient
shall make part of the proceeds of the Grant available to DBE for the purposes of
establishing the credit facility under Part 1(a) of the Project.
33. “Technical Vocational Educational Training Agency” or “TVET Agency” means the national training body responsible for developing vocational training strategy and programs under the Recipient’s Ministry of Education.

34. “TVET Colleges” means technical and vocational education and training colleges.

35. “Training” means Project-related expenses incurred by the executing agencies of the Recipient for the purposes of undertaking training of the staff involved in the implementation and supervision of activities being financed under the Project, based on work plans and budgets approved by the World Bank, for per diem, travel, purchase of Training materials and rental of facilities, and such term includes workshops and seminars; and such term also includes expenses for training of the Beneficiaries.

36. “WECF Operations Manual” or “Operations Manual” means the Women Entrepreneurship Credit Facility Operations Manual referred to in paragraph B.1 of Section I of Schedule 2 to this Agreement.

37. “Women Entrepreneurship Development Credit Facility Agreements” means the agreements to be entered into between DBE and PFLs, for the purposes of implementing the credit facility provided for under Part 1(a) of the Project, as described in paragraph I(d) of Sub-section I.C of Schedule 2 to this Agreement.

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