Ref. No.: WB/CD/301/21/07/2015

H.E. Ato Sufian Ahmed
Minister
Ministry of Finance and Economic Development
Addis Ababa

Re: Ethiopia: Improving the Quality and Policy Relevance of Household-level Data on Agriculture in Sub-Saharan Africa Trust Fund (Support to Ethiopia Rural Socioeconomic Survey Project)
Additional Financing - Grant No. TF0A0595

July 21, 2015

Dear Ato Sufian,

In response to the request for financial assistance made on behalf of the Federal Democratic Republic of Ethiopia (“Recipient”), I am pleased to inform you that the International Development Association (“World Bank”), acting as administrator of grant funds provided by the Bill and Melinda Gates Foundation (the “Donor”) under Improving the Quality and Policy Relevance of Household-Level Data on Agriculture in Sub-Saharan Africa Trust Fund (TF No. 071165), proposes to extend to the Recipient, a grant in an amount not to exceed two million two hundred fifty thousand United States Dollars (U.S.$ 2,250,000) (“Grant”) on the terms and conditions set forth or referred to in this letter agreement (“Agreement”), which includes the attached annex (“Annex”) for the purpose of providing additional financing for the activities related to the Original Project as described in the Annex (“Project”).

This Grant is funded out of the abovementioned trust fund for which the World Bank receives periodic contributions from the Donor. In accordance with Section 3.02 of the Standard Conditions (as defined in the Annex to this Agreement), the World Bank’s payment obligations in connection with this Agreement are limited to the amount of funds made available to it by the Donor under the abovementioned trust fund, and the Recipient’s right to withdraw the Grant proceeds is subject to the availability of such funds.

The Recipient represents, by confirming its agreement below, that it is authorized to enter into this Agreement and to carry out the Project in accordance with the terms and conditions set forth or referred to in this Agreement.
Please confirm the Recipient’s agreement to the foregoing by having an authorized official of the Recipient sign and date the enclosed copy of this Agreement, and returning it to the World Bank.

Very truly yours,

INTERNATIONAL DEVELOPMENT ASSOCIATION

By

Abebaw Alemayehu
Country Manager for Ethiopia, a.i.
Africa Region

AGREED:

FEDERAL DEMOCRATIC REPUBLIC OF ETHIOPIA

By

Authorized Representative

Name
Title State Minister
Date:

Enclosures:

(2) Disbursement Letter of the same date as this Agreement, together with World Bank Disbursement Guidelines for Projects, dated May 1, 2006
Article I
Standard Conditions; Definitions


1.02. Definitions. Unless the context requires otherwise, the capitalized terms used in the Agreement have the meanings assigned to them in the Standard Conditions or in this Agreement and the following additional terms have the following meanings:

(a) “Operating Costs” means the incremental operating expenses incurred on account of the coordination, implementation, and monitoring and evaluation of the Project including office equipment; office rental charges; fuel and vehicle maintenance costs; meeting expenses; and communication costs, but excluding salaries of the Recipient’s civil servants and sitting allowances.

(b) “Original Grant Agreement” means the grant agreement for Support to Ethiopia Rural Socioeconomic Survey Project between the Recipient and the World Bank (acting as administrator of grant funds provided by the Bill and Melinda Gates Foundation under Improving the Quality and Policy Relevance of Household-Level Data on Agriculture in Sub-Saharan Africa Trust Fund (TF No. 071165)), dated April 11, 2011.

(c) “Original Project” means the project described in the Original Grant Agreement.

Article II
Project Execution

2.01. Project Objectives and Description. The objective of the Project is to support the design and implementation of the Ethiopia Rural Socioeconomic Survey (ERSS).

The Project consists of the following parts:

1. Sampling and survey design. Finalization of a sample design for the ERSS and selection of households to participate in the survey.

2. Questionnaire design. Design of: (i) a household questionnaire; (ii) an agriculture and livestock questionnaire; and (iii) a community questionnaire for ERSS.

3. Field work. Carrying out ERSS field work to collect information during the main and minor agricultural seasons of the Recipient.

4. CAPI development and implementation. Development and implementation of a standardized and customizable Computer Assisted Personal Interview (CAPI) application for the paperless administration of the ERSS to a subsample of households.
5. **Methodological validation/innovation and technology.** Carrying out validation exercises for measurement and methodological issues in identified priority areas to develop sustainable systems and improve the timeliness and accuracy of household survey data. Development of analytical tools to facilitate the use and analysis of the data collected.

6. **Capacity Building.** Carrying out a program of activities to build capacity of the participating stakeholders and Central Statistical Agency of Ethiopia (CSA) for implementation of the Project.

7. **Data documentation and dissemination.** Preparation and dissemination of fully cleaned, anonymized, and documented data sets from the ERSS.

2.02. **Project Execution Generally.** The Recipient declares its commitment to the objectives of the Project. To this end, the Recipient shall carry out the Project through the Central Statistical Agency of Ethiopia (“CSA”) (an integral part of the Recipient’s Ministry of Finance and Economic Development), in accordance with the provisions of: (a) Article II of the Standard Conditions; (b) 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”); and (c) this Article II.

2.03. **Institutional Arrangements.** The Recipient shall:

   (a) maintain at all times during the implementation of the Project, the CSA with staffing with terms of reference and resources satisfactory to the World Bank, to be responsible for *inter alia* coordinating and facilitating the implementation of the Project activities.

   (b) maintain, at all times during the implementation of the Project, staff in numbers and with functions and qualifications acceptable to the World Bank, for the purpose of effective and efficient implementation of the Project;

   (c) establish and thereafter maintain, until completion of the Project, a Technical Working Group (“Technical Working Group”), responsible to provide technical advice on the activities related to the development, dissemination, and finalization of the household surveys under the Project. The Technical Working Group will be comprised of stakeholders from the Recipient’s Ministry of Agriculture, CSA, and at least one (1) representative from each of the selected academic community and the donor community, in a manner and functions, satisfactory to the World Bank; and

   (d) make available for public use the unit-record data of the ERSS, duly cleaned and documented, soon after the release of survey report or within twelve (12) months of completion of field work, whichever comes first.

2.04. **Donor Visibility and Visit.** (a) The Recipient shall take or cause to be taken all such measures as the World Bank may reasonably request to identify publicly the Donor’s support for the Project.

   (b) For the purposes of Section 2.09 of the Standard Conditions, the Recipient shall, upon the World Bank’s request, enable the representatives of the Donor to visit any part of the Recipient’s territory for purposes related to the Project.
2.05. **Project Monitoring, Reporting and Evaluation.** (a) 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 set forth below in paragraph (b) of this Section. Each Project Report shall cover the period of one (1) calendar semester, and shall be furnished to the World Bank not later than one (1) month after the end of the period covered by such report.

(b) The performance indicators referred to above in paragraph (a) consist of the following:

(i) Technical Working Group is functional.

(ii) Conduct a panel survey in 2011-2012 and 2012-2013.

(iii) Disseminate the electronic unit-record data sets of each round of the survey within twelve (12) months of the completion of field work for each wave of the survey.

(c) 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.

2.06. **Financial Management.** (a) The Recipient shall ensure that a financial management system is maintained in accordance with the provisions of Section 2.07 of the Standard Conditions.

(b) The Recipient shall ensure that interim unaudited financial reports for the Project are prepared and furnished to the World Bank not later than one (1) month after the end of each calendar quarter, covering the quarter, in form and substance satisfactory to the World Bank.

(c) The Recipient shall, have its Financial Statements 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.

2.07. **Procurement**

(a) **General.** All goods, 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:


(ii) Sections I and IV of the “Guidelines: Selection and Employment of Consultants under IBRD Loans and IDA Credits and Grants by World Bank Borrowers” dated January 2011 (revised July 2014) (“Consultant Guidelines”) in the case of consultants’ services; and
(iii) the provisions of this Section, 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").

(b) **Definitions.** The capitalized terms used in the following paragraphs of 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 Procurement Guidelines, or Sections II, III, IV and V of the Consultant Guidelines, as the case may be.

(c) **Particular Methods of Procurement of Goods and Non-consulting Services**

(i) Except as otherwise provided in sub-paragraph (ii) below, goods and non-consulting services shall be procured under contracts awarded on the basis of International Competitive Bidding.

(ii) The following method, other than International Competitive Bidding, may be used for procurement of goods for those contracts specified in the Procurement Plan: (A) National Competitive Bidding subject to the provisions of paragraph (iii) below; (B) Limited International Bidding; and (C) Direct Contracting

(iii) The following additional provisions will apply to National Competitive Bidding. National Competitive Bidding (NCB) shall follow the Open and Competitive Bidding procedure set forth in the Ethiopian Federal Government and Procurement and Property Administration Proclamation No. 649/2009 and Federal Public Procurement Directive issued by the Ministry of Finance and Economic Development dated June 10, 2010, provided, that such procedure shall be subject to the provisions of Section I and Paragraphs 3.3 and 3.4 of the “Guidelines for Procurement of Goods, Works, and Non-Consulting Services under IBRD Loans and IDA Credits & Grants by World Bank Borrowers” (January 2011) (the “Procurement Guidelines”) and the following additional provisions:

(a) The Recipient’s standard bidding documents for procurement of goods and works acceptable to the Bank shall be used. At the request of the Borrower, 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 Bank.

(b) If pre-qualification is used, the World Bank’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 and works 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, new bids shall not be solicited, nor shall negotiated procurement in case of a failure of bidding be resorted to without the Bank's prior written concurrence. Negotiations shall not be allowed except in the case of a lowest evaluated responsive bid which exceeds the Borrower's updated cost estimate by a substantial margin, to try to obtain a satisfactory contract through a reduction in the scope of works/supply and reallocation of risk which can be reflected in a reduction in contract price.

(i) In accordance with para.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 World Bank, at its request, to inspect accounts, records and comments relating to the bid submission and performance of the contract, and to have them audited by auditors appointed by the World Bank; and (2) Acts intended to materially impede the exercise of the Bank's audit and inspection rights constitutes an obstructive practice as defined in the para. 1.16 a (v) of the Procurement Guidelines.

(d) Particular Methods of Procurement of Consultants' Services

(i) Except as otherwise provided in item (ii) below, consultants' services shall be procured under contracts awarded on the basis of Quality and Cost-based Selection.

(ii) The following method, other than Quality and Cost-based Selection, may be used for the procurement of consultants' services for those assignments which are specified in the Procurement Plan: Selection of Individual Consultants.
(e) **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.

**Article III**  
**Withdrawal of Grant Proceeds**

3.01. **Eligible Expenditures.** The Recipient may withdraw the proceeds of the Grant in accordance with the provisions of: (a) 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 following table. The 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) Goods, non-consulting services, consultants’ services, and Operating Costs</td>
<td>2,250,000</td>
<td>100%</td>
</tr>
<tr>
<td>TOTAL AMOUNT</td>
<td>2,250,000</td>
<td></td>
</tr>
</tbody>
</table>

3.02. **Withdrawal Conditions.** Notwithstanding the provisions of Section 3.01 of this Agreement, no withdrawal shall be made for payments made prior to the date of countersignature of this Agreement by the Recipient.

3.03. **Withdrawal Period.** The Closing Date referred to in Section 3.06 (c) of the Standard Conditions is June 30, 2020.
Article IV
Recipient’s Representative; Addresses

4.01. **Recipient’s Representative.** The Recipient’s Representative referred to in Section 7.02 of the Standard Conditions is the Minister of Finance and Economic Development.

4.02. **Recipient’s Address.** The Recipient’s Address referred to in Section 7.01 of the Standard Conditions is:

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

Telex: 21147
Facsimile: (251-11) 1551355

4.03. **World Bank’s Address.** 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

Cable: INDEVAS
Telex: 348423 (MCI) or 404145 (MCI)
Facsimile: 1-202-477-6391