Financing Agreement

(Pastoral Community Development Project- APL II)

between

FEDERAL DEMOCRATIC REPUBLIC OF ETHIOPIA

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

Dated June 13, 2008
FINANCING AGREEMENT

AGREEMENT dated June 13, 2008, entered into between the FEDERAL DEMOCRATIC REPUBLIC OF ETHIOPIA (“Recipient”) and INTERNATIONAL DEVELOPMENT ASSOCIATION (“Association”). The Recipient and the Association hereby agree as follows:

ARTICLE I — GENERAL CONDITIONS; DEFINITIONS

1.01. The General Conditions (as defined in the Appendix to this Agreement) constitute an integral part of this Agreement.

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

ARTICLE II — FINANCING

2.01. The Association agrees to extend to the Recipient, on the terms and conditions set forth or referred to in this Agreement, a credit in an amount equivalent to fourteen million two hundred thousand Special Drawing Rights (SDR 14,200,000) (variously, “Credit” and “Financing”) and a grant in an amount equivalent to thirty-four million four hundred thousand Special Drawing Rights (SDR 34,400,000) (variously, “Grant” and “Financing”) to assist in financing the project described in Schedule 1 to this Agreement (“Project”).

2.02. The Recipient may withdraw the proceeds of the Financing in accordance with Section IV of Schedule 2 to this Agreement.

2.03. The Maximum Commitment Charge Rate payable by the Recipient on the Unwithdrawn Financing Balance shall be one-half of one percent (1/2 of 1%) per annum.

2.04. The Service Charge payable by the Recipient on the Withdrawn Credit Balance shall be equal to three-fourths of one percent (3/4 of 1%) per annum.

2.05. The Payment Dates are June 1 and December 1 in each year.

2.06. The principal amount of the Credit shall be repaid in accordance with the repayment schedule set forth in Schedule 3 to this Agreement.

2.07. The Payment Currency is the Dollar.
ARTICLE III — PROJECT

3.01. The Recipient declares its commitment to the objectives of the Project and the Program. To this end, the Recipient shall carry out the Project, in accordance with the provisions of Article IV of the General Conditions.

3.02. Without limitation upon the provisions of Section 3.01 of this Agreement, and except as the Recipient and the Association 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 IV — EFFECTIVENESS; TERMINATION

4.01. The Additional Conditions of Effectiveness consist of the following:

(a) The Recipient has adopted a Project Implementation Manual, setting out the administrative and financial procedures including procurement and disbursement procedures, in form and substance satisfactory to the Association.

(b) The Recipient has submitted a project implementation plan for the first eighteen months of the Project, in form and substance satisfactory to the Association.

(c) The Recipient has submitted evidence satisfactory to the Association demonstrating the clearance of any material balances in the inter-fund accounts under the first phase of the Program.

4.02. The Effectiveness Deadline is the date one hundred twenty (120) days after the date of this Agreement.

4.03. For purposes of Section 8.05 (b) of the General Conditions, the date on which the obligations of the Recipient under this Agreement (other than those providing for payment obligations) shall terminate is twenty (20) years after the date of this Agreement.

ARTICLE V — REPRESENTATIVE; ADDRESSES

5.01. The Recipient’s representative is the Minister responsible for finance and economic development.
5.02. The Recipient’s Address is:

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

Cable: MINFIN  Telex: 21147  Facsimile: (251-11) 1551355

5.03. The Association’s Address is:

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

Cable: INDEVAS  Telex: 248423 (MCI)  Facsimile: 1-202-477-6391
Washington, D.C.

AGREED at Addis Ababa, Federal Democratic Republic of Ethiopia, as of the day and year first above written.

FEDERAL DEMOCRATIC REPUBLIC OF ETHIOPIA

By /s/ Sufian Ahmed

Authorized Representative

INTERNATIONAL DEVELOPMENT ASSOCIATION

By /s/ Kenichi Ohashi

Authorized Representative
SCHEDULE 1

Project Description

The objective of the Project is to assist the Recipient in increasing its pastoralist communities’ resilience to external shocks; and improving the livelihoods of Beneficiary Communities, and thereby to contribute to overall poverty alleviation in the territory of the Recipient.

The Project constitutes the second phase of the Program, and consists of the following Parts, subject to such modifications thereof as the Recipient and the Association may agree upon from time to time:

**Part A: Sustainable Livelihoods Enhancement**

Supporting decentralized community development in Beneficiary Communities.

1. Strengthening the Recipient’s delivery of technical and social services through the:

   (a) Provision of CIF Grants to Beneficiary Communities for the carrying out of demand-driven subprojects including: (i) micro-scale irrigation activities in Afar, Somali, and Southern Nations and Nationalities Peoples Regions of the Recipient’s territory; and (ii) water supply, animal health care, human health care, education, and rangeland management activities in Afar, Somali, Oromia and Southern Nations and Nationalities Regions of the Recipient’s territory.

   (b) Provision of seed capital in the form of IG Grants to pastoral RUSACCOs for the carrying out of rural livelihood programs, including micro-entrepreneurial activities.

2. Capacity-building and training programs in participatory community development planning and implementation for Beneficiary Communities, as well as Woreda staff.

**Part B: Pastoral Risk Management**

Strengthening the prevention and mitigation of disaster risks in pastoral and agro pastoral areas through:

1. Expansion of the geographic outreach of the pastoral early warning and response program through the: (i) carrying out of studies and training for federal, regional
and Woreda staff, as well as Beneficiary Communities; and (ii) procurement of equipment to facilitate the functioning of the early warning system.

2. (a) Development of regional disaster preparedness strategies and prioritized investment plans; and (b) Provision of DPSI Grants to Beneficiary Communities for the carrying out of Regional Strategic Disaster Preparedness Investment Subprojects including rehabilitation of drought grazing reserves, improved water catchment management, construction and rehabilitation of feeder roads, market support and fodder banks.

3. (a) Development of Woreda disaster prevention and contingency plans; and (b) Provision of DER Grants to Beneficiary Communities for the carrying out of Disaster Early Response Subprojects including livestock destocking and restocking, water tankering, construction and rehabilitation of feeder roads and fodder banks.

Part C: Participatory Learning and Knowledge Management

1. Undertaking participatory action learning pilots to support the development of demand-driven approaches to participatory knowledge generation and innovation in relation to pastoral livelihoods.

2. Supporting knowledge management and information exchange/networking at federal and regional levels in relation to pastoral livelihoods and policy.

3. Supporting MoFA and the regional pastoral development commissions or bureaus through carrying out of studies intended to inform policy implementation on pastoral development issues.

Part D: Project Management

Support to the FPCU and RPCUs through the provision of adequate resources to enable them to effectively carry out their relevant responsibilities under the Project, including through the provision of audits, technical assistance, goods and salaries of incremental staff.
Section I. Institutional and Implementation Arrangements

A. Institutional Arrangements

Federal Level

1. MoFA shall be responsible for providing overall supervision for Project implementation.

2. The existing FIB shall be responsible for: (i) approving the overall annual Project work program and budget; (ii) reviewing the annual implementation performance report prepared by the FPCU in relation to key performance indicators; (iii) ensuring support from sector ministries as necessary; and (iv) organizing, at least once a year, a joint meeting between the relevant representatives of the Recipient and the development partners participating in the financing of the Project.

3. Federal Project Coordination Unit

   (a) The Recipient shall maintain a Federal Project Coordination Unit (FPCU) for the Project within the MoFA, until the completion of the Project.

   (b) The FPCU shall be in charge of the following responsibilities: (i) coordination of the Project at federal level; (ii) consolidation of annual work programs and budgets; (iii) ensuring compliance with fiduciary obligations; (iv) communication; (v) implementing reporting, monitoring and evaluation; (vi) mobilization of technical backstopping; and (vii) carrying out of training.

Regional level

4. Regional Project Steering Committee

   (a) A Project steering committee for each Region shall be chaired by the head of the regional pastoral commission, or bureau, and include representatives from the relevant regional agencies responsible for cooperatives, BoARD, BoFED, BoH, BoE and BoWR, and the office of Women Affairs.

   (b) Each such committee shall be responsible at the regional level for: (i) providing overall supervision for Project implementation within its Region; (ii) approving the overall annual Project work program and budget for its Region; and (iii) reviewing the annual implementation performance report prepared by the RPCU in relation to key performance indicators.
5. Regional Project Coordination Unit

(a) The Recipient shall maintain the existing RPCUs in Afar, Oromia, Somali and Southern Nations and Nationalities Peoples Regions until completion of the Project.

(b) Each RPCU shall be responsible for coordinating the activities of the Project within its Region and Woreda, including the supervision of MSTs.

(c) An internal auditor shall have been recruited for the RPCUs of the Somali and Afar Regions not later than 180 days following the Effective Date.

6. Mobile Support Teams

(a) The Recipient shall maintain MSTs until completion of the Project.

(b) MSTs responsibilities under the Project shall include: (i) building capacity of Beneficiary Communities in CIF Subprojects’ planning, selection, implementation, procurement and monitoring; (ii) assisting with CIF Subproject appraisal, selection, procurement planning and monitoring at Woreda level; (iii) supporting community based participatory action learning; and (iv) supporting the formation and capacity building of pastoral RUSACCOS.

B. Implementation Arrangements

1. Project Implementation Manual

(a) The Recipient shall carry out the Project in accordance with the arrangements and procedures set out in the Project Implementation Manual (provided, however, that in case of any conflict between the arrangements and procedures set out in the Project Implementation Manual and the provisions of this Agreement, the provisions of this Agreement shall prevail) and, except as the Association shall otherwise agree, shall not amend, abrogate or waive any provision of the Project Implementation Manual.

(b) The Recipient shall ensure that the PIM consists of: (a) a financial management manual incorporating adequate financial management systems for controlling, recording and reporting the financial transactions under the Project; (ii) a procurement and contract administration manual with a description of a procurement monitoring and reporting system; and (iii) the terms, conditions and eligibility criteria for the Subprojects under Part A.1, Part B.2 (b) and B.3 (b) of the Project; and (d) detailed performance indicators to be used for the Project, and other activities and arrangements to be used for the purpose of implementing the Project, as the same may be amended from time to time, and such term includes any schedules to the Project Implementation Manual.
2. Annual Work Plan and Budget

   (a) The Recipient shall prepare and furnish to Association for its approval, no later than April 30 of each year during the implementation of the Project, or such later date as the Association may agree, an annual work plan and budget including procurement plans containing all proposed activities to be carried out under the Project in the following Fiscal Year, and thereafter ensure that such plan as shall have been approved by the Association is carried out in a manner satisfactory to the Association.

   (b) The Recipient shall cause each participating Region, Woreda and Kebele to implement, monitor and evaluate its respective activities under the Project in accordance with the provisions set forth in this Agreement and in more detail in the Project Implementation Manual, and shall not make or allow to be made any material change to any activity included in the annual work plans and budgets as approved pursuant to (a) above without the prior agreement of the Association.

C. Anti-Corruption

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

D. Safeguards

1. The Recipient shall carry out the Project in accordance with the Environmental and Social Management framework.

2. The Recipient shall not amend or waive, or permit to be waived, to the ESMF or any provision thereof without the prior agreement of the Association, in a manner which, in the opinion of the Association, may materially and adversely affect the implementation of the Project.

3. The Recipient shall ensure that: (a) all measures for carrying out the recommendations of the ESMF are taken in a timely manner; and (b) the Project Reports referred to in Section II.A of this Schedule shall include adequate information on monitoring the measures set forth in the ESMF.

Section II. Project Monitoring, Reporting and Evaluation

A. Project Reports

1. (a) The Recipient shall monitor and evaluate the progress of the Project and prepare Project Reports in accordance with the provisions of Section 4.08 of the General Conditions and on the basis of the indicators set forth below in sub-paragraph (b) of this paragraph. Each Project Report shall cover the period of six months, and
shall be furnished to the Association not later than 45 days after the end of the period covered by such report.

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

(i) Increase of percentage of community members in Beneficiary Communities satisfied with service delivery through the social infrastructure financed under the Project.

(ii) Increase in income of pastoral saving and credit loan clients in Beneficiary Communities.

(iii) Disaster early warning data are made available in a regular and timely manner at Woreda, regional and federal levels for pastoral and agro-pastoral Woredas in the Recipient’s territory.

(iv) Increase of percentage of community members in Beneficiary Communities satisfied with timeliness, quantity and quality of disaster early response.

2. For purposes of Section 4.08 (c) of the General Conditions, the report on the execution of the Project and related plan required pursuant to that Section shall be furnished to the Association not later than six months before the Closing Date.

B. Financial Management, Financial Reports and Audits

1. The Recipient shall maintain or cause to be maintained a financial management system in accordance with the provisions of Section 4.09 of the General Conditions.

2. Without limitation to the provisions of Part A of this Section, the Recipient shall prepare and furnish to the Association, no later than 45 days after the end of each calendar quarter, interim un-audited financial reports for the Project covering the relevant quarter, in form and substance satisfactory to the Association.

3. The Recipient shall have its Financial Statements audited in accordance with the provisions of Section 4.09 (b) of the General Conditions. Each audit of the Financial Statements shall cover the period of one Fiscal Year of the Recipient. The audited Financial Statements for each fiscal year shall be furnished to the Association no later than six months after the end of such period.

4. Without limitation to the provisions of Part A and B.3 of this Section, the Recipient shall submit to the Association interim audit reports, on a semi-annual basis, for the initial two years of Project implementation, no later than 90 days after the end of each relevant semi-annual period.
5. Without limitation to the provisions of Section 4.09(b) of the General Conditions, the independent auditor referred therein shall be recruited not later than 90 days following the Effective Date.

Section III. Procurement

A. General

1. Goods, Works and Non-Consultant Services. All goods, works and non-consultant services required for the Project and to be financed out of the proceeds of the Financing 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 Financing 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 Association of particular contracts, refer to the corresponding method described in the Procurement Guidelines, or Consultant Guidelines, as the case may be.

B. Particular Methods of Procurement of Goods, Works and Non-Consultant Services

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


The following table specifies the methods of procurement, other than International Competitive Bidding, which may be used for goods, works and non-consultant 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 (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 Bank’s standard prequalification document shall be used; (iii) margin of preference shall not be applicable; (iv) bidders shall be given a minimum of 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) the process does not...</td>
</tr>
</tbody>
</table>
preclude participation by foreign bidders; and (vii) results of evaluation and award of contract shall be made public.

(b) Shopping

(c) Direct Contracting

(d) Community Participation procedures elaborated in the Procurement Plan and in the Project Implementation Manual

(e) Procurement from UN agencies

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) Selection Based on Consultants’ Qualifications</td>
</tr>
<tr>
<td>(d) Single Source Selection</td>
</tr>
<tr>
<td>(e) Selection of Individual Consultants</td>
</tr>
</tbody>
</table>

D. Review by the Association of Procurement Decisions

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

Section IV. Withdrawal of the Proceeds of the Financing

A. General

1. The Recipient may withdraw the proceeds of the Financing in accordance with the provisions of Article II of the General Conditions, this Section, and such additional instructions as the Association shall 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 Association 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 Financing (“Category”), the allocations of the amounts of the Credit and 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 Financing Allocated in Credit (expressed in SDR)</th>
<th>Amount of the Financing Allocated in Grant (expressed in SDR)</th>
<th>Percentage of Expenditures to be Financed (Inclusive of Taxes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Goods for all activities other than CIF Subprojects, IG Subprojects, DPSI and DER Subprojects</td>
<td>600,000</td>
<td>1,400,000</td>
<td>100%</td>
</tr>
<tr>
<td>(2) Consultants’ Services, including audits, for all activities other than CIF Subprojects, IG Subprojects, DPSI and DER Subprojects</td>
<td>800,000</td>
<td>2,000,000</td>
<td>100%</td>
</tr>
<tr>
<td>(3) Training</td>
<td>800,000</td>
<td>2,000,000</td>
<td>100%</td>
</tr>
<tr>
<td>(4) Goods, works and services for CIF Subprojects</td>
<td>6,700,000</td>
<td>16,300,000</td>
<td>100%</td>
</tr>
<tr>
<td>(5) Goods, works and services for IG Subprojects</td>
<td>300,000</td>
<td>700,000</td>
<td>100%</td>
</tr>
<tr>
<td>(6) Goods, works and services for DER Subprojects</td>
<td>600,000</td>
<td>1,500,000</td>
<td>100%</td>
</tr>
<tr>
<td>(7) Goods, works and services for DPSI Subprojects</td>
<td>2,300,000</td>
<td>5,500,000</td>
<td>100%</td>
</tr>
<tr>
<td>Category</td>
<td>Amount of the Financing Allocated in Credit (expressed in SDR)</td>
<td>Amount of the Financing Allocated in Grant (expressed in SDR)</td>
<td>Percentage of Expenditures to be Financed (Inclusive of Taxes)</td>
</tr>
<tr>
<td>-------------------</td>
<td>---------------------------------------------------------------</td>
<td>---------------------------------------------------------------</td>
<td>---------------------------------------------------------------</td>
</tr>
<tr>
<td>(8) Operating Costs</td>
<td>1,600,000</td>
<td>3,800,000</td>
<td>100%</td>
</tr>
<tr>
<td>(9) Unallocated</td>
<td>500,000</td>
<td>1,200,000</td>
<td></td>
</tr>
<tr>
<td>TOTAL AMOUNT</td>
<td>14,200,000</td>
<td>34,400,000</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 is December 31, 2013.

**Section V. Other Undertakings**

The Recipient undertakes that:

(a) not later than 60 days following the Effective Date, the Recipient shall ensure that a memorandum of understanding for the management of the Pastoral Early Warning and Response program has been duly executed between the Early Warning and Response Department of MoARD and the FPCU within MoFA, in form and substance satisfactory to the Association;

(b) not later than 60 days following the Effective Date, the Recipient shall ensure that a memorandum of understanding for the management of the rural livelihoods program has been duly executed between the Federal Cooperatives Agency (FCA) and the FPCU within MoFA, in form and substance satisfactory to the Association; and

(c) in order to ensure the proper financing of the Project, it shall make available to the FPCU not later than: (i) October 15, 2008 an initial amount equivalent to $1,000,000 for the first year of implementation of the Project; and (ii) October 15 of each Fiscal Year thereafter during Project implementation, such amount as shall be required to ensure that the FPCU has available to it a total of the initial amount referred to in paragraph (i) above for the following Fiscal Year.
### SCHEDULE 3

#### Repayment Schedule

<table>
<thead>
<tr>
<th>Date Payment Due</th>
<th>Principal Amount of the Credit repayable (expressed as a percentage)*</th>
</tr>
</thead>
<tbody>
<tr>
<td>On each June 1 and December 1:</td>
<td></td>
</tr>
<tr>
<td>commencing June 1, 2018 to and including December 1, 2027</td>
<td>1%</td>
</tr>
<tr>
<td>commencing June 1, 2028 to and including December 1, 2047</td>
<td>2%</td>
</tr>
</tbody>
</table>

* The percentages represent the percentage of the principal amount of the Credit to be repaid, except as the Association may otherwise specify pursuant to Section 3.03 (b) of the General Conditions.
APPENDIX

Definitions


2. “Beneficiary Communities” means a group of pastoral and agro-pastoral people; and several such community groups of pastoral and agro-pastoral people in the Afar, Somali, Southern, Oromia Regions within the territory of the Recipient.

3. “BoARD” means the Recipient’s Bureau of Agriculture and Rural Development.

4. “BoE” means the Recipient’s Bureau of Education.


6. ”BoH” means the Recipient’s Bureau of Health.


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

9. “Community Investment Fund Subproject” or “CIF Subproject” means a development project described in Part A.1(a) of the Project.

10. “CIF Grant” means a grant made or proposed to be made, to a Beneficiary Community for the carrying out of a CIF Subproject.


12. “Disaster Early Response Subprojects” or “DER Subproject” means a development project described in Part B.3(b) of the Project.

13. “DER Grant” means a grant made or proposed to be made to a Beneficiary Community for the carrying out of a DER Subproject.

14. “Disaster Prevention Strategic Investment Subprojects” or “DPSI Subproject” means a development project described in Part B.2 (b) of the Project.
15. "DPSI Grant" means a grant made or proposed to be made to a Beneficiary Community for the carrying out of a DPSI Subproject.

16. “Environmental and Social Management Framework” and “ESMF” each means the Recipient’s framework, dated February 2008, agreed with the Association and setting out subproject screening, pest management plans, mitigation, enhancement, monitoring, and institutional measures, including capacity building through training, that have been identified by the Recipient to eliminate any adverse environmental and social impacts of Project activities, offset them, or reduce them to acceptable levels, or enhance positive impacts, as the same may be modified from time to time with the concurrence of the Association, and such term includes any schedules to said Framework.

17. “FIB” and “Federal Inter-ministerial Board” each means the Board established by the Recipient pursuant to Regulation No. 256/2001 for, inter alia, policy and strategy formulation, inter-ministerial and interregional coordination of the Recipient’s governmental actions, and the oversight of implementation activities under the Project.


19. “Fiscal Year” means the Recipient’s fiscal year commencing on July 8th and ending on July 7th.

20. “FPCU” and “Federal Project Coordination Unit” each means the unit referred to in A.3 (a) of Section I of Schedule 2 to this Agreement.


22. “Income Generating Subproject” or “IG Subproject” means a development project described in Part A.1(b) of the Project.

23. “IG Grant” means a grant made or proposed to be made to a Beneficiary Community for the carrying out of an IG Subproject.

24. “Kebele” means the lowest tier of the Recipient’s administrative system as established under the relevant regional legislation.

25. “MoARD” means the Recipient’s Ministry of Agriculture and Rural Development.


27. “MoFA” means the Recipient’s Ministry of Federal Affairs.

29. ”MoH” means the Recipient’s Ministry of Health.


31. “MST” and “Mobile Support Team ” each means a group of specialized persons in, inter alia, capacity building activities, participatory development, community organization and networking, savings and credit activities and community procurement, and moving throughout participating Woredas, and responsible for supporting activities referred to under Section 1.A.6 of Schedule 2 to this Agreement.

32. “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.

33. “Procurement Guidelines” means the “Guidelines: Procurement under IBRD Loans and IDA Credits” published by the Bank in May 2004 and revised in October 2006.

34. “Procurement Plan” means the Recipient’s procurement plan for the Project, referred to in paragraph 1.16 of the Procurement Guidelines and paragraph 1.24 of the Consultant Guidelines, as the same shall be updated from time to time in accordance with the provisions of the said paragraphs.

35. “Program” means the Pastoral Community Development Program, set forth or referred to in the Recipient’s Letter of Development Policy dated April 11, 2008, of which the Project is its second phase.

36. “Project Implementation Manual” means the manual, referred to in Section 4.01(a) of this Agreement.

37. “Region” means the following four regional states in the Recipient’s territory: Afar, Oromia, Somali, Southern Nations and Nationalities Peoples within the Recipient’s territory as defined under the Recipient’s Constitution.

38. “RPCU” means each unit referred to in A.5 of Section I of Schedule 2 to this Agreement.

39. “RUSACCOs” means Rural Savings and Credit Cooperatives.

40. “Woreda” means the third tier of the Recipient’s administrative system as established under the relevant regional legislation.