



CREDIT NUMBER 5832-ET

Financing Agreement

(Development Response to Displacement Impacts Project in the Horn of Africa)

between

FEDERAL DEMOCRATIC REPUBLIC OF ETHIOPIA

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

Dated June 15, 2016

CREDIT NUMBER 5832-ET

FINANCING AGREEMENT

AGREEMENT dated June 15, 2016, entered into between 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 seventy one million Special Drawing Rights (SDR 71,000,000) (variously, “Credit” 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 The Service Charge payable by the Recipient on the Withdrawn Credit Balance shall be equal to three-fourths of one percent (3/4 of 1%) per annum.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 April 15 and October 15 in each year.
- 2.06. The principal amount of the Credit shall be repaid in accordance with the repayment schedule set forth in Schedule 3 to this Agreement.
- 2.07. The Payment Currency is Dollar.

ARTICLE III — PROJECT

- 3.01. The Recipient declares its commitment to the objective of the Project. To this end, the Recipient shall: (a) carry out Parts 1, 2, 3 and 4 of the Project through its Ministry in charge of agriculture and natural resources; and (b) collaborate with IGAD in carrying out Part 5 of the Project, all 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 Effectiveness Deadline is the date one hundred eighty (180) days after the date of this Agreement.
- 4.02. 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 its Minister of Finance and Economic Cooperation.

- 5.02. The Recipient's Address is:

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

Telex: Facsimile:
21147 (251-11) 1551355

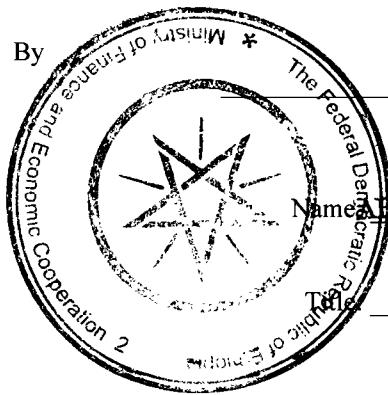
- 5.03. The Association's Address is:

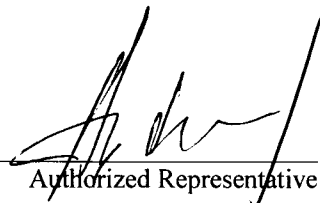
International Development Association
1818 H Street, N.W.
Washington, D.C. 20433
United States of America

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

AGREED at Addis Ababa, June 15, 2016 as of the day and year first above written.

FEDERAL DEMOCRATIC REPUBLIC OF ETHIOPIA




Authorized Representative

Name: **ABDULAZIZ MOHAMMED**
Minister

INTERNATIONAL DEVELOPMENT ASSOCIATION

By



Authorized Representative

Name: Carolyn Turk

Title: Country Director for Ethiopia,
Sudan and South Sudan

SCHEDULE 1

Project Description

The objective of the Project is to improve access to basic social services, expand economic opportunities and enhance environmental management for communities hosting refugees in Targeted Areas of the Recipient's territory.

The Project consists of the following parts:

Part 1: Social and Economic Services and Infrastructure

1(a) Community Investment Fund: improve communities' access to basic social services and economic infrastructure through Community Sub-Projects designed to help expand and improve service delivery and build infrastructure for local development in education, water supply, human health, veterinary care, rural roads, market structures, and storage facilities, *inter alia*.

1(b) Support to Local Planning and Decentralized Service Delivery: improve the service delivery capacity of local level government authorities through capacity support interventions in the areas of community driven planning process, management of local development, enhancement of service delivery capacities, mainstreaming of Project interventions with the Recipient's development planning and budgeting process, and coordination of potential development stakeholders at local level and community level.

Part 2: Sustainable Environmental Management

2(a) Integrated Natural Resources Management: enhance the productivity of environmental and natural resources, prevent the degradation of fragile ecosystems, such as forests, range and agricultural lands through soil and water conservation (biological and physical) activities on individual farm lands and communal lands, including construction of soil bunds, stone bunds, artificial waterways, cut-off drains, check dams (gully rehabilitation), bench terraces, hillside terraces, trenches, area closures, planting of multipurpose trees, and groundwater recharge interventions; and enhancement of irrigation water use and management.

2(b) Access to Energy: improve host communities access to energy, promote better use of energy resources and access to alternative sources of energy through interventions that address energy requirements of host communities related to domestic needs for cooking and lighting, social services such as schools and health services, and productive activities including lighting for small shops/businesses and small manufacturing/processing.

Part 3: Livelihoods Program

3(a) Support to Traditional and Non-Traditional Livelihoods: increase the production and productivity of agriculture (crops and livestock), pastoralism (livestock),

agro-pastoralism (crop and livestock) and fisheries; and commercialize livelihood activities for improved incomes, employment, and self-reliance through improved production practices, access to technology and equipment, access to storage and processing infrastructure, access to finance, and access to input and output markets as well as enhanced skills for increased employability, enterprise development, promotion of other income generating activities such as technological, institutional and process innovations, programs for youth and women in technological innovations, and information-technology-enabled services.

3(b) Support to Community-Based Organizations for Livelihoods: improve the service delivery capacity of farmer/pastoral/agro-pastoral/fisheries organizations, including community based organizations through the establishment and the capacity-support of said community-based organizations including farmer/pastoral/agro-pastoral/fisheries organizations, associations and cooperatives, savings and credit cooperatives, and common interest groups.

Part 4: Project Management, Monitoring and Evaluation

Ensure Project management, coordination, implementation, monitoring and evaluation through a decentralized approach using existing public structures at the national, sub-national and local levels as well as community institutions to be established at the local level, each of them with various sets of roles and responsibilities at various levels, including oversight, coordination and technical bodies with the support of a Project management information system for monitoring inputs, outputs and processes; evaluation of outcomes and impacts; environmental and social safeguards monitoring; and participatory monitoring and evaluation and internal learning, regular monitoring of implementation progress and performance, independent process monitoring, outcome and impact evaluations at baseline, mid-term and end of Project, and annual thematic studies.

Part 5: Regional Support for Coordination, Capacity and Knowledge

Support for the establishment of the Regional Secretariat within IGAD, through provision of goods, services, training and Operating Costs, to enable the regional Secretariat and IGAD to: (i) carry out policy engagement on development approach to displacement with academic and research institutions; (ii) generate evidence through research for innovative management of forced displacement and mixed migration; (iii) build capacities of Participating Countries and institutions to innovatively respond to displacement-migration nexus; (iv) undertake knowledge management and monitoring and evaluation; (v) forge partnerships between humanitarian and development actors; and (vi) consolidate the capacity of IGAD to respond to forced displacement and mixed migration regionally and internationally.

SCHEDULE 2

Project Execution

Section I. Implementation Arrangements

A. Institutional Arrangements

1. The Recipient shall, throughout the period of Project implementation:
 - (a) maintain its representative in the Project Regional Steering Committee to provide overall guidance and oversight for the Project at the regional level;
 - (b) establish no later than six (6) months after the Effective Date and thereafter maintain the Project Steering Committees at federal, regional and *Woreda* levels to provide overall guidance and oversight for the Project at the federal, regional and *Woreda* levels;
 - (c) establish no later than six months after the Effective Date and thereafter maintain the Project Technical Committees at federal, regional and *Woreda* levels to provide technical support for the Project at the federal, regional and *Woreda* levels;
 - (d) maintain the Federal Project Coordination Unit within the Emerging Regions Coordination Directorate to ensure the day to day management, implementation, monitoring and evaluation of the Project at federal level; and
 - (e) maintain functional Regional Project Coordination Units and *Woreda* Project Coordination Units to ensure enhanced and coordinated Project management and implementation at regional and *Woreda* levels;

all with the composition, staffing, and powers acceptable to the Association as further described in the Project Implementation Manual.

2. The Recipient shall ensure the implementation and coordination of the Project, through the Federal Project Coordination Unit, and undertake all necessary fiduciary support, including disbursement, financial management, procurement, environmental and social safeguards activities, as well as monitoring and evaluation.
3. The Recipient, through the Federal Project Coordination Unit, shall closely coordinate Project implementation with the Project Steering Committees, the Project Technical Committees, and relevant Implementation Agencies at the federal, regional and *Woreda* levels, as further described in the Project Implementation Manual.

B. Annual Work Plans

1. The Recipient shall, not later than March 31 in each calendar year during Project implementation, prepare and furnish to the Association, a program of activities proposed for inclusion in the Project during the following fiscal year, including: (a) a detailed timetable and budget for the sequencing and implementation of said activities; (b) the types of expenditures required for such activities; and (c) the planned procurement methods for the expenditures (“Annual Work Plan”).
2. The Recipient shall exchange views with the Association on each such proposed Annual Work Plan, and shall thereafter carry out such plan of activities for such following fiscal year as shall have been agreed between the Recipient and the Association.
3. Only those activities, which are included in an Annual Work Plan, shall be included in the Project. Notwithstanding the foregoing, the Annual Work Plan may be amended from time to time to include new activities with the prior and written concurrence 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. Project Implementation Manual

1. The Recipient shall carry out the Project, through the Federal Project Coordination Unit in accordance with the Project Implementation Manual (including the Procurement Manual and the Financial Management Manual).
2. The Recipient shall not amend the Project Implementation Manual without the prior written approval of the Association.
3. In the event of any conflict between the provisions of the Project Implementation Manual and this Agreement, the provisions of this Agreement shall prevail.

E. Safeguards

1. The Recipient shall ensure that the Project activities, including Community Sub-Projects, shall be implemented in accordance with the guidelines, procedures, timetables and other specifications set forth in the Safeguard Documents. In particular, the Recipient shall ensure that:
 - (a) for each activity under the Project of a type for which the Environmental and Social Management Framework provides that an Environmental and Social Management Plan should be prepared, such Environmental and

Social Management Plan, in form and substance satisfactory to the Association, is effectively prepared and locally disclosed, before the implementation of such activity, in accordance with the provisions of the Environmental and Social Management Framework, and the relevant activity is implemented in accordance with its Environmental and Social Management Plan; and

- (b) for each activity under the Project of a type for which the Resettlement Policy Framework provides that a Resettlement Action Plan should be prepared, such Resettlement Action Plan, in form and substance satisfactory to the Association, is effectively prepared and locally disclosed, before the implementation of such activity, in accordance with the provisions of the Resettlement Policy Framework, and the relevant activity is implemented in accordance with its Resettlement Action Plan.
2. Except as the Association shall otherwise agree in writing and subject to compliance with applicable consultation and public disclosure requirements of the Association, the Recipient shall not abrogate, amend, repeal, suspend or waive any provisions of any of the Safeguard Documents, nor shall it permit any other entity participating in the implementation of the Project to do so.
3. In the event of any conflict between the provisions of the Safeguard Documents and this Agreement, the provisions of this Agreement shall prevail.

F Community Sub-Projects

For the purposes of carrying out Parts 1(a), 2 and 3 (a) of the Project, the Recipient through the Federal Project Coordination Unit, the Regional Project Coordination Units, the *Woreda* Project Coordination Units and the Implementation Agencies, shall:

1. identify in collaboration with the Target Communities eligible Community Sub-Projects in favor of said Target Communities in accordance with the guidelines and procedures set forth in the Project Implementation Manual;
2. (a) ensure that each Community Sub-Project is carried out with due diligence and efficiency and in accordance with sound technical, economic, environmental and social standards and practices satisfactory to the Association, including in accordance with the provisions of the Anti-Corruption Guidelines, the Project Implementation Manual and the Safeguard Documents; (b) provide, promptly as needed, the resources required for the carrying out of the Community Sub-Projects; (c) procure the goods, works, non-consulting services and consultants' services to be financed for the Community Sub-Projects in accordance with the provisions of Section III of the Schedule to this Agreement; (d) maintain procedures adequate to enable it to monitor and evaluate in accordance with indicators acceptable to the Association, the progress of the pertinent Community Sub-Project and the

achievement of its objectives; (e) maintain a simplified financial management system and records in accordance with consistently applied accounting standards acceptable to the Association for community driven initiatives; (f) enable the Recipient and the Association to inspect the pertinent Community Sub-Project, its operation and any relevant records and documents; and (g) prepare and furnish to the Recipient and the Association all such information as the Recipient or the Association shall reasonably request relating to the foregoing.

Section II. Project Monitoring, Reporting and Evaluation

A. Project Reports

1. The Recipient, through the Federal Project Coordination Unit, shall monitor and evaluate the progress of the Project and prepare Project Progress Reports in accordance with the provisions of Section 4.08 of the General Conditions and on the basis of indicators acceptable to the Association and set forth in the Project Implementation Manual. Each Project Progress Report shall cover the period of one (1) quarter, and shall be furnished to the Association not later than forty-five (45) days after the end of the quarter covered by such report.
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 (6) months after 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 on the provisions of Part A of this Section, the Recipient shall prepare and furnish to the Association 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 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, commencing with the fiscal year in which the first withdrawal was made under the Project. The audited Financial Statements for each such period shall be furnished to the Association 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 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 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 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 Competitive Bidding; (b) National Competitive Bidding, subject to the additional provisions referred to in subparagraph 3 below and to the use of bidding documents acceptable to the Association; (c) Shopping; (d) procurement under Framework Agreements in accordance with procedures which have been found acceptable to the Association; (e) Direct Contracting; (f) Community Participation procedures which have been found acceptable to the Association; and (g) Selection of United Nations Agencies.
3. **Additional Provisions for National Competitive Bidding.** Procedures for National Competitive Bidding may be used for procurement of goods, works and non-consulting services for those contracts specified in the Procurement Plan subject to the following additional provisions:

- (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 contracts 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) Procedures set forth in paragraphs 5.2 and 5.3 of the Consultant Guidelines for the Selection of Individual Consultants; (f) Single-source procedures for the Selection of Individual Consultants; (g) Single-source Selection of consulting firms; and (h) Selection of United Nations Agencies.

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 Financing to each Category, and the percentage of expenditures to be financed for Eligible Expenditures in each Category:

Category	Amount of the Credit Allocated (expressed in SDR)	Percentage of Expenditures to be Financed (inclusive of Taxes)
(1) Goods, Works, non-consulting services, consultant’s services, Training and Operating Costs for Parts 1, 2, 3 and 4 of the Project	71,000,000	100%
TOTAL AMOUNT	71,000,000	

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, except that withdrawals up to an aggregate amount not to exceed SDR 100,000 equivalent may be made for payments made under Category (1) up to twelve months prior to the date of signature of this Agreement for Eligible Expenditures.
2. The Closing Date is December 31, 2021.

Section V. Other Undertakings

1. By June 30, 2019, or such other date as the Association shall agree upon, the Recipient shall: (i) carry out jointly with the Association, a mid-term review of the implementation of operations under the Project, which shall cover the progress achieved in the implementation of the Project; and (ii) following such mid-term review, act promptly and diligently to take any corrective action as shall be agreed with the Association.
2. Not later than six (6) months after the Effective Date, the Recipient shall hire and thereafter maintain independent auditors to carry out annual procurement audits on the Project. Each procurement audit report prepared by said independent auditors shall cover the period of one (1) fiscal year of the Recipient, commencing with the fiscal year in which the first withdrawal was made under the Project. The

procurement audit reports for each such period shall be furnished to the Association not later than six (6) months after the end of such period.

SCHEDULE 3

Repayment Schedule

Date Payment Due	Principal Amount of the Credit repayable (expressed as a percentage)*
On each April 15 and October 15	
Commencing October 15, 2022 to and including April 15, 2054	1.5625%

* 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

Section I. Definitions

1. “Annual Work Plan” means the annual work plan to be prepared by the Recipient not later than March 31 in each calendar year during Project implementation including a program of activities proposed for inclusion in the Project during the following fiscal year.
2. “Anti-Corruption Guidelines” means 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.
3. “Category” means a category set forth in the table in Section IV of Schedule 2 to this Agreement.
4. “Community Investment Fund” means earmarked proceeds of the Credit for the financing of the Community Subprojects under Part 1(a) of the Project, as further detailed in the Project Implementation Manual.
5. “Community Sub-Project” means a sub-project selected under Parts 1(a), 2 and 3(a) of the Project and to be carried out by the Federal Project Coordination Unit, the Regional Project Coordination Units, the *Woreda* Project Coordination Units and the Implementation Agencies in accordance with the selection criteria and procedures set forth in the Project Implementation Manual.
6. “Consultant Guidelines” means the “Guidelines: Selection and Employment of Consultants under IBRD Loans and IDA Credits and Grants by World Bank Borrowers”, dated January 2011 and revised in July 2014.
7. “Emerging Regions Coordination Directorate” means the directorate established within the Recipient’s Ministry in charge of agriculture and natural resources, or any successor thereto.
8. “Environmental and Social Management Framework” means the document dated March 7, 2016, adopted by the Recipient, which: (i) sets out the modalities to be followed by the Project in assessing the potential adverse environmental and social impacts of the Project, and the measures to be taken to offset, reduce or mitigate such adverse impacts; and (ii) consists, *inter alia*, of sections dealing with environmental and social screening processes for the Project as well as for the preparation of the Environmental and Social Management Plans, as published and available to the public on the website www.moa.gov.et, as the same may be amended from time to time with the Association’s prior written approval.
9. “Environmental and Social Management Plan ” means the document to be adopted by the Recipient in accordance with the Environmental and Social Management

Framework, which describes specific measures to ensure environmentally and socially appropriate economic benefits under the Project and avoid, minimize, mitigate or compensate for any potential adverse effects associated with activities to be implemented under the Project, including the Community Sub-Projects; as the same may be amended from time to time with the Association's prior written approval.

10. "Federal Project Coordination Unit" means the unit established within the Emerging Regions Coordination Directorate to ensure enhanced and coordinated Project management and implementation at federal level, as further detailed in the Project Implementation Manual.
11. "Financial Management Manual" means a document annexed to the Project Implementation Manual describing procedures for financial management and audits under the Project.
12. "General Conditions" means the "International Development Association General Conditions for Credits and Grants", dated July 31, 2010.
13. "Horn of Africa" means a sub-region of Eastern Africa that includes eight countries, i.e. – Republic of Djibouti, State of Eritrea, Federal Democratic Republic of Ethiopia, Republic of Kenya, Federal Republic of Somalia, Republic of South Sudan, Republic of Sudan, and Republic of Uganda.
14. "IGAD" means Intergovernmental Authority on Development, a regional organization set up through the IGAD Constitutive Agreement, which is responsible for carrying out Part 5 of the project pursuant to the IGAD Financing Agreement.
15. "IGAD Constitutive Agreement" means the agreement establishing the Intergovernmental Authority on Development dated March 21, 1996.
16. "IGAD Financing Agreement" means the Financing Agreement signed or to be signed between the Association and IGAD for the implementation of Part 5 of the Project.
17. "Implementation Agencies" means the agencies involved in the implementation of the Project at federal, regional and *Woreda* levels, as further detailed in the Project Implementation Manual.
18. "Manual on Small Earth Dams" means the document dated 2010 adopted by the Recipient, which: (i) sets out the modalities to be followed by said Recipient in assessing the potential adverse impacts related to small earth dams constructed or rehabilitated under the Project, and the measures to be taken to offset, reduce or mitigate such adverse impacts; and (ii) consists, *inter alia*, of sections dealing with

social screening processes for said small earth dams constructed or rehabilitated under the Project as well as for the preparation of necessary plans, as available to the public on the website www.moa.gov.et as the same may be amended from time to time with the Association's prior written approval.

19. "Operating Costs" means recurrent costs of the Project, including: (i) operation and maintenance of vehicle, repairs, fuel and spare parts; (ii) computer maintenance, including hardware and software; (iii) communication costs and shipment costs (whenever these costs are not included in the cost of goods); (iv) small office supplies; (v) rent and maintenance for office facilities; (vi) utilities and insurances; (vii) travel and per diem costs for technical staff carrying out supervisory and quality control activities; (viii) bank fees and miscellaneous; and (ix) salaries of support staff for the Project, but excluding salaries of the Recipient's civil servants.
20. "Participating Countries" means the following three countries: the Republic of Djibouti, the Federal Democratic Republic of Ethiopia, and the Republic of Uganda, which participate in the Development Response to Displacement Impacts Project in the Horn of Africa with the financing provided by the Association pursuant to the Financing Agreements with each respective Participating Country.
21. "Procurement Guidelines" means the "Guidelines: Procurement of Goods, Works and Non-consulting Services under IBRD Loans and IDA Credits and Grants by World Bank Borrowers", dated January 2011 and revised in July 2014.
22. "Procurement Manual" means a document annexed to the Project Implementation Manual describing the procedures for procurement of goods, works, non-consulting services, consultants' services, Operational Costs, and Training, as well as procurement audits under the Project.
23. "Procurement Plan" means the Recipient's procurement plan for the Project, dated April 19, 2016, 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.
24. "Project Implementation Manual" means the manual dated April 19, 2016, adopted by the Recipient, for the implementation of the Project at federal, regional, *Woreda* and community levels, including, *inter alia*: (i) the terms of reference, functions and responsibilities for the members or the personnel of the Project Steering Committees, the Federal Project Coordination Unit, the Regional Project Coordination Units, the *Woreda* Project Coordination Units, the Project Technical Committees, the Implementation Agencies; (ii) the Procurement Manual and the Financial Management Manual; (iii) the indicators to be used in the monitoring and evaluation of the Project at the federal, regional, *Woreda* and community levels; (iv) flow and disbursement arrangements of Project funds; (v) the criteria,

detailed rules and procedures for the selection of the Community Sub-Projects; and (vi) the grievance mechanisms; as said manual may be amended from time to time with the Association's prior written approval.

25. "Project Regional Steering Committee" means the regional steering committee for the Project, established and operating under IGAD aegis with representatives from all the Participating Countries, in charge of providing overall guidance and oversight for the Project at the regional level.
26. "Project Steering Committees" means the committees to be established through a letter to be sent by the Ministry in charge of agriculture and national resources to the Association in order to provide overall guidance and oversight for the Project at federal, regional and *Woreda* levels.
27. "Project Technical Committees" means the committees to be established through a letter to be sent by the Ministry in charge of agriculture and national resources to the Association in order to provide technical support for the Project at federal, regional and *Woreda* levels.
28. "Regional Project Coordination Units" means the units established within the Recipient's bureaus in charge of agriculture and natural resources at regional level to ensure enhanced and coordinated Project management and implementation at regional level.
29. "Regional Secretariat" means the "Regional Secretariat on Forced Displacement and Mixed Migration" to be created within the administrative structure of IGAD to run the day-to-day management of the Project at the regional level, and be responsible for advancing the dialogue on forced displacement and mixed migration in the Horn of Africa through commissioning research, generating knowledge, capturing lessons, and coordinating sharing and learning both in the Participating Countries and at the regional level.
30. "Resettlement Policy Framework" means the document dated March 7, 2016, adopted by the Recipient, which: (i) sets out the modalities to be followed by the Recipient in assessing the potential adverse social impacts related to involuntary resettlement of the Project, and the measures to be taken to offset, reduce or mitigate such adverse impacts; and (ii) consists, *inter alia*, of sections dealing with social screening processes for the Project as well as for the preparation of resettlement plans, as published and available to the public on the website www.moa.gov.et, as the same may be amended from time to time with the Association's prior written approval.
31. "Resettlement Action Plan" means a document to be adopted by the Recipient on the basis of the Resettlement Policy Framework, and which outlines specific implementation procedures, mitigation measures and monitoring procedures for

social purposes under the Project, as said plan may be amended from time to time with the Association's prior written approval.

32. "Safeguard Documents" means collectively the Environmental and Social Management Framework, the Resettlement Policy Framework, the Social Assessment, and the Manual on Small Earth Dams as well as any subsequent plans or evaluations (Environmental and Social Management Plans and Resettlement Action Plans) that may be prepared in accordance with said Environmental Social Management Framework, Resettlement Policy Framework and Manual on Small Earth Dams during Project implementation.
33. "Social Assessment" means the document dated March 7, 2016, identifying and assessing the potential social impacts of the interventions under the Project, evaluating alternatives, and proposing appropriate mitigation, management, and monitoring measures included in a social management plan 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.
34. "Targeted Areas" means the *Woredas* hosting refugees in the Afar National Regional State, the Benishangul-Gumuz National Regional State, the Gambela National Regional State, the Ethiopian Somali National Regional State, and the Tigray National Regional State.
35. "Target Community" and "Target Communities" means one or several communities in the Recipient's rural or urban areas, which will benefit from a Sub-Project to be implemented under Parts 1(a), 2 and 3(a) of the Project, as further detailed in the Project Implementation Manual.
36. "Training" means the training of persons involved in Project-supported activities, based on the Annual Work Plan approved by the Association, such term including scholarships, seminars, workshops, and study tours, and costs associated with such activity including travel and subsistence costs for training participants, costs associated with securing the services of trainers, rental of training facilities, preparation and reproduction of training materials, and other costs directly related to training preparation and implementation.
37. "*Woreda*" and "*Woredas*" means the third tier of the Recipient's administrative system as established under the Recipient's Laws.
38. "*Woreda* Project Coordination Units" means the units established within the Recipient's offices in charge of agriculture and natural resources at *Woreda* level

to ensure enhanced and coordinated Project management and implementation at *Woreda* level.