
**ETHIOPIA HEALTH PROGRAM FOR RESULTS MULTI-DONOR TRUST FUND
GRANT NUMBER TF0C4404**

**Ethiopia Health Program for Results
Multi-Donor Trust Fund
Grant Agreement**

**(Additional Grant for the Ethiopia Program for Results (Hybrid)
for Strengthening Primary Health Care Services)**

between

FEDERAL DEMOCRATIC REPUBLIC OF ETHIOPIA

and

**INTERNATIONAL DEVELOPMENT ASSOCIATION
(acting as administrator of Ethiopia Health Program for Results
Multi-Donor Trust Fund)**

**ETHIOPIA HEALTH PROGRAM FOR RESULTS
MDTF NUMBER TF0C4404**

**ETHIOPIA HEALTH PROGRAM FOR RESULTS
MDTF GRANT AGREEMENT**

AGREEMENT dated as of the Signature Date between FEDERAL DEMOCRATIC REPUBLIC OF ETHIOPIA (“Recipient”) and INTERNATIONAL DEVELOPMENT ASSOCIATION (“Bank”), acting as administrator of Ethiopia Health Program for Results Multi-Donor Trust Fund, for the purpose of providing an additional Grant for financing Part 1 (“Program”) of the Operation as described in Schedule 1 to the Original Financing Agreement (“Original Operation”); and further set out in Schedule 1 to this Agreement.

The Recipient and the Bank hereby agree as follows:

**Article I
Standard Conditions; Definitions**

- 1.01. The Standard Conditions (as defined in the Appendix to this Agreement) apply to and form 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 Standard Conditions or in the Appendix to this Agreement.

**Article II
The Program**

- 2.01. The Recipient declares its commitment to the objectives of the Program. To this end, the Recipient shall carry out the Program in accordance with the provisions of Article II of the Standard Conditions and Schedule 2 to this Agreement.

**Article III
The Grant**

- 3.01. The Bank agrees to extend to the Recipient a grant in an amount not to exceed twenty-one million Dollars (\$21,000,000) (“Grant”) to assist in financing the Program.
- 3.02. The Recipient may withdraw the proceeds of the Grant in accordance with Section IV of Schedule 2 to this Agreement.
- 3.03. The Grant is funded out of the abovementioned trust fund for which the Bank receives periodic contributions from the donors to the trust fund. In accordance with Section

3.02 of the Standard Conditions, the Bank's payment obligations in connection with this Agreement are limited to the amount of funds made available to it by the donors under the abovementioned trust fund, and the Recipient's right to withdraw the Grant proceeds is subject to the availability of such funds.

Article IV
Recipient's Representative; Addresses

4.01. The Recipient's Representative referred to in Section 7.02 of the Standard Conditions is its minister responsible for finance.

4.02. For purposes of Section 7.01 of the Standard Conditions:

(a) the Recipient's address is:

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

(b) the Recipient's Electronic Address is:

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

4.03. For purposes of Section 7.01 of the Standard Conditions:

(a) the Bank's address is:

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

(b) the Bank's Electronic Address is:

Telex:	Facsimile:
248423 (MCI) or 64145 (MCI)	1-202-477-6391

AGREED as of the Signature Date.

FEDERAL DEMOCRATIC REPUBLIC OF ETHIOPIA

By

H.E. Semereta Sewasew

Authorized Representative

Name: H.E. Semereta Sewasew

Title: State Minister of Finance

Date: 20-May-2024

**INTERNATIONAL DEVELOPMENT ASSOCIATION
(acting as administrator of Ethiopia Health Program for
Results Multi-Donor Trust Fund)**

By

Doina Petrescu

Authorized Representative

Name: Doina Petrescu

Title: Acting Country Director, Eritrea, Ethiopia, Sudan

Date: 14-May-2024

SCHEDULE 1

Operation Description

The objective of the Operation is to improve access to and equitable provision of high-quality primary health care services, with a focus on reproductive, maternal, neonatal, child and adolescent health plus nutrition (“RMNCAH+N”), while strengthening health systems.

The Operation specifically targets certain SDG-relevant results which are deemed to be achievable by virtue of activities to be undertaken by the Recipient under the auspices of the HSTP II. The Operation’s key activities and results focus on, *inter alia*: (1) (a) improving access, quality and equity in RMNCAH+N service delivery; (b) strengthening the primary health care system; (c) providing essential health services to the conflict-affected areas; and (d) enhancing climate resilience and adaptation in the health system; (2) are under the direct control of the Recipient to implement at the federal level; and (3) are eligible for financing under the SDGPF.

The Operation is comprised of various high priority activities under the Program (as further described below) and the Project (as further described in the Original Financing Agreement) which, collectively, complement the HSTP II program and which are determined from time to time pursuant to the guidance of the Joint Consultative Forum.

Part I: The Program

The Program consists of a chain of interventions, outputs, and outcomes, focusing on RMNCAH+N and the health system exclusively in non-conflict areas.

The Program activities are designed to strengthen the provision of services focusing on *inter alia*, reproductive, maternal, neonatal, child and adolescent health, nutrition support, health systems strengthening; and capacity building for the implementation of a national quality and equity strategy at the federal and regional levels. The Program activities are relevant to the achievement of a specific set of agreed results, both substantive and process-oriented.

The key Program substantive results sought to be achieved are Disbursement Linked Indicators (“DLIs”) 2 and 6 which correspond to the Disbursement Linked Results (“DLRs”) set out in the table in Section IV.2 of Schedule 2 to this Agreement.

The substantive results are sought to be augmented and enhanced under the Program by high priority process-oriented DLIs numbers 9, 10, 12, 16, 18, 19 and 20 which correspond to the DLRs set out in the table in Section IV.2 of Schedule 2 to this Agreement.

SCHEDULE 2

Program Execution

Section I. Institutional and Implementation Arrangements

A. Program Institutions

1. The institutional and other implementation arrangements described in Sections I.A, I.B.1 and I.B.2 of Schedule 2 to the Original Financing Agreement are hereby incorporated by reference in this Section I, unless the context otherwise requires, and shall apply, *mutatis mutandis*, to this Agreement, and the Recipient hereby undertakes to comply with the provisions thereof to the same extent as if such provisions had been set out in full in this Section, subject, however, to the following qualifications:
 - (a) references to “Financing”, shall be construed as references to the “Grant”, provided for under this Agreement; and
 - (b) the term “Association” included in the aforementioned sections of the Original Financing Agreement shall be construed as referring to the “Bank” (as described throughout this Agreement and in the opening paragraph of this Agreement), and in the Standard Conditions.
2. For greater clarity and the avoidance of doubt, in view of the incorporation of Sections I.A, I.B.1 and I.B.2 of Schedule 2 to the Original Financing Agreement into this Agreement pursuant to the preceding paragraph, if the Original Financing Agreement terminates prior to the termination of this Agreement, such termination shall have no effect for purposes of this Agreement, and the provisions of the Original Financing Agreement incorporated in this Agreement pursuant to the preceding paragraph shall continue in full force and effect between the Recipient and the Bank for purposes of this Agreement following and notwithstanding such termination of the Original Financing Agreement.

Section II. Excluded Activities

The Recipient shall ensure that the Program excludes any activities which:

- (a) in the opinion of the Bank, are likely to have significant adverse impacts that are sensitive, diverse, or unprecedented on the environment and/or affected people; or
- (b) involve the procurement of: (i) works, estimated to cost fifty million Dollars (\$50,000,000) equivalent or more per contract; (ii) goods, estimated to cost thirty million Dollars (\$30,000,000) equivalent or more

per contract; (iii) non-consulting services, estimated to cost thirty million Dollars (\$30,000,000) equivalent or more per contract; or (iv) consulting services, estimated to cost fifteen million Dollars (\$15,000,000) equivalent or more per contract.

Section III. Program Monitoring, Reporting, Evaluation and Audits

A. Program Reports

The Recipient shall monitor and evaluate the progress of the Program and, more particularly, the progress of the Disbursement Linked Indicators and, to that end, shall prepare regular Program Reports in accordance with the provisions of Section 2.06 of the Standard Conditions and in such scope and in such detail as shall be determined in accordance with the Verification Protocol. The Program Reports shall be furnished to the Bank in accordance with the schedule as shall be specified by the Verification Protocol.

B. Program Financial Audits

Without limitation on the generality of Section III.A.1 of this Schedule 2 and Section 2.07 of the Standard Conditions, the Recipient shall have the Financial Statements audited in accordance with the provisions of Section 2.07(b) of the Standard Conditions. Each audit of the Financial Statements shall cover the period of one fiscal year of the Recipient. The audited Financial Statements for each such period shall be furnished to the Bank not later than nine (9) months after the end of such period.

C. Program Procurement Audit

Without limitation upon the provisions of Section III.A.1 of this Schedule 2, the Recipient shall, through the FPPA, in each EFY beginning EFY 2023, carry out under terms of reference satisfactory to the Bank, an audit of contracts procured in the preceding EFY and furnish said audit to the Bank not later than six months after the end of the EFY to which said audit relates. To this end, the Recipient shall take all actions including the provision of funding, personnel, and other resources to enable the FPPA to carry out said audit.

D. Fraud and Corruption Semi-Annual Reports

Without limitation upon the provisions of Section 2.12 of the Standard Conditions, the Recipient shall furnish to the Association a bi-annual report of all credible and material allegations or other indications of fraud and corruption in connection with the Program that come to its attention (or the absence thereof) as well as the investigative and other remedial actions that the Recipient proposes to take or has taken with respect thereto, all in accordance with the provisions of the Anti-

corruption Guidelines (“Fraud and Corruption Semi-Annual Reports”). Each Fraud and Corruption Semi-Annual Report shall be furnished to the Bank not later than one month after the end of such period.

Section IV. Withdrawal of Grant Proceeds

A. General

1. The Recipient may withdraw the proceeds of the Grant in accordance with the provisions of Article III of the Standard Conditions, this Section, and such additional instructions as the Bank may specify from time to time by notice to the Recipient to finance Program Expenditures (inclusive of Taxes), on the basis of the results (“Disbursement Linked Results” or “DLRs”) achieved by the Recipient, as measured against specific indicators (“Disbursement Linked Indicators” or “DLIs”); all as set forth in the table in paragraph 2 of this Part A.
2. The following table specifies each category of withdrawal of the proceeds of the Grant (including the Disbursement Linked Indicators as applicable) (“Category”), the Disbursement Linked Results for each Category (as applicable), and the allocation of the amounts of the Grant to each Category:

Category (including Disbursement Linked Indicator (as applicable))	Disbursement Linked Result (as applicable)	Amount of Ethiopia Health Program for Results MDTF Grant TF No. 073973 (expressed in USD)	DLR allocation and Disbursement Formula (expressed in USD)	Percentage of Expenditures to be Financed (inclusive of Taxes)
(1) <u>DLI # 2</u> : Percentage of deliveries attended by skilled birth provider	<u>DLR#2</u> : Increase of deliveries attended to by skilled birth providers from a baseline of 71% up to a maximum of 80% (aggregate: 9% increase)	3,224,760	<u>DLR#2</u> : FY2024: 3,224,760 from Health PforR MDTF for 1% increase	<u>N/A</u>
(2) <u>DLI # 6</u> : Percentage of mothers receiving modern contraceptives immediately after delivery depending on their preference	<u>DLR#6</u> : Increase of mothers from a baseline of 9% up to a maximum of 16% (aggregate 7% increase)	3,547,278.00	<u>DLR#6</u> : FY2026: \$3,547,278 from Health PforR MDTF for 0.5% increase	<u>N/A</u>
(3) <u>DLI # 9</u> : Number of health posts (“HPs”)	<u>DLR#9</u> : Increase in the number of HPs with comprehensive health	1,182,552	<u>DLR#9</u> : FY2025: \$168,967 from Health PforR MDTF for	<u>N/A</u>

Category (including Disbursement Linked Indicator (as applicable))	Disbursement Linked Result (as applicable)	Amount of Ethiopia Health Program for Results MDTF Grant TF No. 073973 (expressed in USD)	DLR allocation and Disbursement Formula (expressed in USD)	Percentage of Expenditures to be Financed (inclusive of Taxes)
with comprehensive health services	services from a baseline of 0 up to a maximum of 140 HPs		each HP up to a maximum of 7	
(4) <u>DLI #10</u> : Percentage of health centers (“HCs”) with youth friendly health services	<u>DLR#10</u> : Increase of HCs from a baseline of 51% up to a maximum of 56% (aggregate 5% increase)	4,336,038	<u>DLR#10</u> : FY2025:4,336,038 from Health PforR MDTF for 0.5% increase FY2026: 0	<u>N/A</u>
(5) <u>DLI #12</u> : Percentage of primary health care (“PHC”) facilities having all drugs from the MOH list of essential drugs	<u>DLR#12</u> : Increase of PHC facilities from a baseline of 48% up to a maximum of 54% (aggregate 6% increase)	2,365,020	<u>DLR#12</u> : FY2024: \$2,365,020 from Health PforR MDTF for 1% increase	<u>N/A</u>
(6) <u>DLI #16</u> : Percentage of Households enrolled in Community-Based Health Insurance (“CBHI”)	<u>DLR#16</u> : Increase proportion of households enrolled in CBHI from a baseline of 66% up to a maximum of 76% (aggregate 10% increase)	2,365,020	<u>DLR#16</u> : FY2025: 1,182,510 from Health PforR MDTF for 1% increase to a maximum of 2%	<u>N/A</u>
(7) <u>DLI #18</u> : Automated selected core business functions of EPSA (yes/no)	<u>DLR#18</u> : Automated the following core business functions of EPSA: Finance function: yes/no Inventory and warehouse function: yes/no	1,195,152	<u>DLR#18</u> : FY2025: \$1,195,152 Pilot the HR system of EPSA with the selected system.	<u>N/A</u>
(8) <u>DLI #19</u> : Implement electronic government procurement (“e-GP”) system At EPSA (yes/no)	<u>DLR#19</u> : Implemented electronic government procurement system – yes/no.	1,468,530	<u>DLR#19</u> : FY2025: \$1,468,530 from Health PforR MDTF preparation of an action plan and implementing it to address the procurement gap identified in the e-	<u>N/A</u>

Category (including Disbursement Linked Indicator (as applicable))	Disbursement Linked Result (as applicable)	Amount of Ethiopia Health Program for Results MDTF Grant TF No. 073973 (expressed in USD)	DLR allocation and Disbursement Formula (expressed in USD)	Percentage of Expenditures to be Financed (inclusive of Taxes)
			procurement performance report	
(9)DLI # 20: Update and implement the national climate change adaptation plan (“NCCAP”) (yes/no)	DLR#20: NCCAP updated and implemented (yes/no)	1,315,650	DLR#20: FY2025: \$1,315,650 from Health PforR MDTF: An additional 500 Regional Health sector experts are trained in climate-resilient health systems and assigned as focal points to facilitate the implementation of the plan at all levels	<u>N/A</u>
TOTAL AMOUNT		21,000,000		

B. Withdrawal Conditions; Withdrawal Period

1. Notwithstanding the provisions of Part A of this Section, no withdrawal shall be made:
 - (a) on the basis of DLRs achieved prior to the Signature Date; or
 - (b) under Categories (1) to (9), for any DLR set forth in the table under Section IV.A.2 of this Schedule 2 to this Agreement, unless and until the Recipient has furnished evidence satisfactory to the Bank that said DLR has been achieved.
2. Notwithstanding the provisions of Part B.1(b) of this Section, the Recipient may withdraw: (i) an amount not to exceed USD 4,500,000 as an advance; provided, however, that if the DLRs in the opinion of the Bank, are not achieved (or only partially achieved) by the Closing Date, the Recipient shall refund such advance (or portion of such advance as determined by the Bank in accordance with the provisions of paragraph (3) of this Part B) to the Bank promptly upon notice thereof by the Bank. Except as otherwise agreed with the Recipient, the Bank shall cancel the amount so refunded. Any further withdrawals requested as an advance under any Category shall be permitted only on such terms and conditions as the Bank shall specify by notice to the Recipient.
3. Notwithstanding the provisions of Part B.1(b) of this Section, if any of the DLRs under Category (1) to (9) has not been achieved by the date by which the said DLR is set to be achieved (or such later date as the Bank has established by notice to the Recipient), the Bank may, by notice to the Recipient: (a) authorize the withdrawal of such lesser amount of the unwithdrawn proceeds of the Grant then allocated to said Category which, in the opinion of the Bank, corresponds to the extent of achievement of said DLR, said lesser amount to be calculated in accordance with the formula set out in the table in Section IV.A.2 of Part A; (b) reallocate all or a portion of the proceeds of the Grant then allocated to said DLR to any other DLR; and/or (c) cancel all or a portion of the proceeds of the Grant then allocated to said DLR.
3. The Closing Date is June 30, 2026.

APPENDIX

Section I. Definitions

The Capitalized terms defined in Section I of the Appendix to the Original Financing Agreement, as incorporated by reference in this Agreement, shall have the meanings set forth therein, and the following terms shall have the following meanings.

1. “Anti-Corruption Guidelines” means, for purposes of paragraph 2 of the Appendix to the Standard Conditions, the “Guidelines on Preventing and Combating Fraud and Corruption in Program-for-Results Financing”, dated February 1, 2012, and revised July 10, 2015.
2. “Category” means a category set forth in the table in Section IV.A.2 of Schedule 2 to this Agreement.
3. “Disbursement Linked Indicator” or “DLI” means in respect of a given Category, the indicator related to said Category as set forth in the table in Section IV.A.2 of Schedule 2 to this Agreement.
4. “Disbursement Linked Result” or “DLR” means in respect of a given Category, the result under said Category as set forth in the table in Section IV.A.2 of Schedule 2 to this Agreement, on the basis of the achievement of which, the amount of the Grant allocated to said result may be withdrawn in accordance with the provisions of said Section IV.
5. “EFY” means the Ethiopian Fiscal Year, the fiscal year of the Recipient which commences on July 8 and ends on July 7 of the following year.
6. “Program Action Plan” means the Recipient’s plan dated March 21, 2022 and referred to in Section I.A.2(b) of Schedule 2 to this Agreement, as such plan may be amended from time to time with the agreement of the Bank.
7. “Signature Date” means the later of the two dates on which the Recipient and the Bank signed this Agreement and such definition applies to all references to “the date of the Grant Agreement” in the Standard Conditions.
8. “Standard Conditions” means the “International Bank for Reconstruction and Development and International Development Association Standard Conditions for Program-for-Results Financing Made by the Bank out of Trust Funds”, dated December 14, 2019.